

NOTE: THIS CONTRACT CONTAINS OPT-IN PROVISIONS

TERMS ADOPTED FROM ANOTHER CARRIER

**THE TERMS IN APPENDIX 41A & 41B SHALL TAKE EFFECT 30
DAYS FOLLOWING RECEIPT OF WRITTEN NOTICE.**

INTERCONNECTION, RESALE, and UNBUNDLING AGREEMENT

BETWEEN

**GTE SOUTH INCORPORATED
GTE NORTH INCORPORATED
AND**

US XCHANGE OF ILLINOIS, L.L.C..

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This Interconnection, Resale and Unbundling Agreement (the "Agreement"), is made by and between GTE South Incorporated, GTE North Incorporated with its address for purposes of this Agreement at 600 Hidden Ridge Drive, Irving, Texas 75038 ("GTE"), and US Xchange of Illinois, L.L.C., in its capacity as a certified provider of local dial-tone service, with its principal place of business at 20 Monroe N.W., Suite 450, Grand Rapids, Michigan 49503 ("USX") (GTE and USX being referred to collectively as the "Parties" and individually as a "Party"). This Agreement covers services in the State of Illinois (the "State").

WHEREAS, interconnection between competing Local Exchange Carriers ("LECs") is necessary and desirable for the mutual exchange and termination of traffic originating on each LEC's network; and

WHEREAS, the Parties desire to exchange such traffic and related signaling in a technically and economically efficient manner at defined and mutually agreed upon points of interconnection; and

WHEREAS, the Parties wish to enter into an agreement to interconnect their respective telecommunications networks on terms that are fair and equitable to both Parties; and

WHEREAS, Section 251 and 252 of the Telecommunications Act of 1996 (the "Act") imposes specific obligations on LECs and incumbent LECs with respect to the interconnection of their networks, resale of their telecommunications services, access to their poles, ducts, conduits and rights-of-way and, in certain cases, the offering of certain unbundled network elements and physical collocation of equipment in LEC premises;

WHEREAS, GTE is entering, under protest, into certain aspects of this Agreement that incorporate adverse results from the arbitrated agreements or which may be approved by the Commission in this state and is doing so in order to avoid the expense of arbitration while at the same time preserving its legal positions, rights and remedies.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GTE and USX hereby covenant and agree as follows:

ARTICLE I SCOPE AND INTENT OF AGREEMENT

Pursuant to this Agreement, the Parties will extend certain arrangements to one another within each area in which they both operate within the State for purposes of interconnection and the exchange of traffic between their respective end user customers, and reciprocal access to their poles, ducts, conduits and rights-of-way. This Agreement also governs the purchase by USX of certain telecommunications services provided by GTE in its franchise areas for resale by USX, the general rules supplemental to the tariff for the purchase by USX of certain unbundled network elements from GTE, and the terms and conditions of the collocation of certain equipment of USX in the premises of GTE. This Agreement is an integrated package that reflects a balancing of interests critical to the Parties. This Agreement will be submitted to the Illinois Commerce Commission (the "Commission"), and the Parties will specifically request that the Commission refrain from taking any action to modify, supplement, suspend or otherwise delay implementation of this Agreement. USX may elect terms other than those set forth in this Agreement to the extent required under 47 U.S.C. 252 (i) of the Act, final regulations thereunder and relevant court decisions.

Notwithstanding these commitments, the Parties agree that their entrance into this Agreement is without prejudice to any positions they may have taken previously, or may take in the future, in any legislative, regulatory, judicial or other public forum addressing any matters, including matters related to the same types of arrangements covered in this Agreement. If negotiation by the Parties of future interconnection agreements following this one is unsuccessful and either Party requests arbitration of any unresolved issue pursuant to Section 252(b) of the Act, nothing in this Agreement shall be given any weight in such arbitration as evidence of what rates, terms, or conditions either Party would consider to satisfy the requirements of Section 251. GTE's execution of this Agreement is not a concession or waiver in any manner concerning its position that certain of the rates, terms and conditions contained herein are unlawful, illegal and improper. USX's execution of this Agreement is not a concession or waiver in any manner concerning its position that certain of the rates, terms and conditions contained herein are unlawful, illegal and improper.

The services and facilities to be provided to USX by GTE in satisfaction of this Agreement may be provided pursuant to GTE tariffs and then current practices. Should such services and facilities be modified by tariff or by Order, including any modifications resulting from other Commission proceedings, federal court review or other judicial action, such modifications will be deemed to automatically supersede any rates and terms and conditions of this Agreement. GTE will provide notification to USX before such a tariff becomes effective, and USX may provide input on such proposed tariff. The Parties shall cooperate with one another for the purpose of incorporating required modifications into this agreement.

The Parties execution of this Agreement is not a concession or waiver in any manner concerning either Parties position that certain of the rates, terms and conditions contained herein are unlawful, illegal and improper.

ARTICLE II DEFINITIONS

- 1 General Definitions. Except as otherwise specified herein, the following definitions shall apply to all Articles contained in this Agreement. Additional definitions that are specific to the matters covered in a particular Article may appear in that Article.
- 1.1 "Access Service Request" (ASR) means an industry standard form used by the Parties to add, establish, change or disconnect services or facilities as provided elsewhere in this Agreement for the purposes of Interconnection.
- 1.2 "Act" means the Telecommunications Act of 1996, Public Law 104-104 of the 104th United States Congress effective February 8, 1996.
- 1.3 An "Affiliate" of a Party means a person, corporation or other legal entity that, directly or indirectly, owns or controls a Party, or is owned or controlled by, or is under common ownership or control with a Party. For purposes of this definition, the term "own" means to have a majority ownership interest in, or have voting control of a majority of the ownership interests in, such corporation or other legal entity
- 1.4 "AMA" means the Automated Message Accounting structure inherent in switch technology that initially records telecommunication message information. AMA format is contained in the Automated Message Accounting document, published by Bellcore as GR-1100-CORE which defines the industry standard for message recording.
- 1.5 "Applicable Law" shall mean all laws, statutes, common law, regulations, ordinances, codes, rules, guidelines, orders, permits, and approvals of any Governmental Authority, which apply or relate to the subject matter of this Agreement.
- 1.6 "Automatic Location Identification/Data Management System (ALI/DMS)" means the emergency services (E911/911) database containing customer location information (including name, address, telephone number, and sometimes special information from the local service provider) used to process subscriber access records into Automatic Location Identification (ALI) records. From this database, records are forwarded to GTE's ALI Gateway for downloading by local ALI database systems to be available for retrieval in response to ANI from a 9-1-1 call. Also, from this database, GTE will upload to its selective routers the selective router ALI (SR/ALI) which is used to determine to which Public Safety Answering Point ("PSAP") to route the call."
- 1.7 "Automatic Number Identification" or "ANI" refers to the number transmitted through the network identifying the calling party.
- 1.8 "Bellcore" means Bell Communications Research, Inc., or its successor or assign.
- 1.9 "Bill-and-Keep Arrangement" means a compensation arrangement whereby the Parties do not render bills to each other for the termination of traffic specified in this Agreement and whereby LECs and CLECs terminate local exchange traffic originating from end-users served by the networks of other LECs or CLECs without explicit charging among or between said carriers for such traffic exchange.
- 1.10 "Business Day" shall mean Monday through Friday, except for holidays on which the U.S. mail is not delivered.
- 1.11 "Central Office Switch" means a switch used to provide telecommunications services including (i) "End Office Switches" which are Class 5 switches from which end user Exchange Services are directly connected and offered, and (ii) "Tandem Office Switches" which are Class 4 switches which are used to connect and switch trunk circuits between

and among central office switches. Central office switches may be employed as combination end office/tandem office switches (combination Class 5/Class 4).

- 1.12 "CLLI Codes" means Common Language Location Identifier Codes.
- 1.13 "Commission" means the Illinois Commerce Commission.
- 1.14 "Common Channel Signaling" or "CCS" means a high-speed specialized packet-switched communications network that is separate (out-of-band) from the public packet-switched and message networks. CCS carries addressed signaling messages for individual trunk circuits and/or database-related services between Signaling Points in the CCS network using SS7 signaling protocol.
- 1.15 "Competitive Local Exchange Carrier" (CLEC) means USX, as a company authorized to provide local exchange services in competition with an ILEC.
- 1.16 "Compliance" with respect to environmental provisions Environmental and safety laws and regulations are based upon a federal regulatory framework, with certain responsibilities delegated to the States. An environmental/safety compliance program may include review of applicable laws/regulations, development of written procedures, training of employees and auditing.
- 1.17 "Conduit" means a tube or protection device that may be used to house communication or electrical cables. Conduit may be used underground or above ground and may contain one or more inner ducts.
- 1.18 "DS-1" is a digital signal rate of 1.544 Mbps.
- 1.19 "DS-3" is a digital signal rate of 44.736 Mbps.
- 1.20 "Electronic File Transfer" refers to a system or process which utilizes an electronic format and protocol to send/receive data files.
- 1.21 "E-911 Service" is a method of routing 911 calls to a PSAP that uses customer location data in the ALI/DMS to determine the PSAP to which a call should be routed. E-9-1-1 service includes the forwarding of the caller's Automatic Number Identification (ANI) to the PSAP where the ANI is used to retrieve and display the Automatic Location Identification (ALI) on a terminal screen at the answering Attendant's position. It usually includes selective routing.
- 1.22 "Exchange Message Record" or "EMR" means the standard used for exchange of telecommunications message information among LECs for billable, unbillable, sample, settlement and study data. EMR format is contained in BR-010-200-010 CRIS Exchange Message Record, a Bellcore document that defines industry standards for exchange message records.
- 1.23 "Exchange Service" refers to all basic access line services, or any other services offered to end users which provide end users with a telephonic connection to, and a unique telephone number address on, the public switched telecommunications network ("PSTN"), and which enable such end users to place or receive calls to all other stations on the PSTN.
- 1.24 "EIS" or "Expanded Interconnection Service" means a service that provides interconnecting carriers with the capability to terminate basic fiber optic transmission facilities, including optical terminating equipment and multiplexers, at GTE's wire centers and access tandems and interconnect those facilities with the facilities of GTE. Microwave is available on a case-by-case basis where feasible.

- 1.25 "Facility" All buildings, equipment, structures and other items located on a single site or contiguous or adjacent sites owned or operated by the same persons or person.
- 1.26 "FCC" means the Federal Communications Commission.
- 1.27 "Guide" means the GTE Customer Guide for CLEC Establishment of Services - Resale and Unbundling, which contains GTE's operating procedures for ordering, provisioning, trouble reporting and repair for resold services and unbundled elements. A copy of the Guide has been provided to USX.
- 1.28 "Interconnection" means the physical connection of separate pieces of equipment, transmission facilities, etc., within, between and among networks, for the transmission and routing of Exchange Service and Exchange Access. The architecture of interconnection may include collocation and/or mid-span meet arrangements.
- 1.29 "Interconnection Point" ("IP") means the physical point on the network where the two parties interconnect. The "IP" is the demarcation point between ownership of the transmission facility.
- 1.30 "Interim Number Portability (INP)" means, pending the availability on an industry-wide basis of long-term number portability, the delivery of LNP capabilities, with as little impairment of functioning, quality, reliability, and convenience as possible, through the use of (1) RCF, or (2) DID, or (3) such capabilities other than RCI or DID as may be provided in applicable tariffs.
- 1.31 "IXC" or "Interexchange Carrier" means a telecommunications service provider authorized by the FCC to provide interstate long distance communications services between LATAs and are authorized by the State to provide long distance communications services.
- 1.32 "ISDN" or "Integrated Services Digital Network" means a switched network service providing end-to-end digital connectivity for the simultaneous transmission of voice and data.
- 1.33 "ISUP" means a part of the SS7 protocol that defines call setup messages and call takedown messages.
- 1.34 "Line Information Data Base (LIDB)" means one or all, as the context may require, of the Line Information databases owned individually by GTE and other entities which provide, among other things, calling card validation functionality for telephone line number cards issued by GTE and other entities. A LIDB also contains validation data for collect and third number-billed calls, which include billed number screening.
- 1.35 "Line Side" refers to an end office switch connection that has been programmed to treat the circuit as a local line connected to an ordinary telephone station set. Line side connections offer only those transmission and signaling features appropriate for a connection between an end office and an ordinary telephone set.
- 1.36 "Local Exchange Carrier" or "LEC" means any company certified by the Commission to provide local exchange telecommunications service. This includes the Parties to this Agreement.
- 1.37 "Local Exchange Routing Guide" or "LERG" means the Bellcore reference customarily used to identify NPA-NXX routing and homing information.
- 1.38 "Local Traffic" means traffic that is originated by an end user of one Party and terminates to the end user of the other Party within GTE's then current local serving area, including mandatory local calling scope arrangements. A mandatory local calling scope

arrangement is an arrangement that provides end users a local calling scope, Extended Area Service ("EAS"), beyond their basic exchange serving area. Local Traffic does not include optional local calling scopes (i.e., optional rate packages that permit the end user to choose a local calling scope beyond their basic exchange serving area for an additional fee), referred to hereafter as "optional EAS."

- 1.39 "Number Portability" or "Local Number Portability (LNP)" means the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.
- 1.40 "Local Service Request" or "LSR" is the form used to order resale and unbundled services. This form is part of the Guide, and may be updated from time-to-time by GTE and/or through industry forums (such as the Ordering and Billing Forum), and is required before services can be established.
- 1.41 "MDF" or "Main Distribution Frame" means the distribution frame used to interconnect cable pairs and line trunk equipment terminating on a switching system.
- 1.42 "Meet-Point Billing" or "MPB" refers to an arrangement whereby two LECs jointly provide the transport element of a switched access service to one of the LEC's end office switches, with each LEC receiving an appropriate share of the transport element revenues as defined by their effective access tariffs.
- 1.43 "MECAB" refers to the *Multiple Exchange Carrier Access Billing* ("MECAB") document prepared by the Billing Committee of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee ("CLC") of the Alliance for Telecommunications Industry Solutions ("ATIS"). The MECAB document, published by Bellcore as Special Report SR-BDS-000983, contains the recommended guidelines for the billing of an access service provided by two or more LECs, or by one LEC in two or more states within a single LATA.
- 1.44 "MECOD" refers to the *Multiple Exchange Carriers Ordering and Design* ("MECOD") *Guidelines for Access Services - Industry Support Interface*, a document developed by the Ordering/Provisioning Committee under the auspices of the Ordering and Billing Forum ("OBF"), which functions under the auspices of the Carrier Liaison Committee ("CLC") of the Alliance for Telecommunications Industry Solutions ("ATIS"). The MECOD document, published by Bellcore as Special Report SR-STS-002643, establish methods for processing orders for access service which is to be provided by two or more LECs.
- 1.45 "Mid-Span Fiber Meet" means an Interconnection architecture whereby two carriers' fiber transmission facilities meet at a mutually agreed-upon POI.
- 1.46 "NANP" means the "North American Numbering Plan", the system of telephone numbering employed in the United States and other countries comprising World Numbering Zone 1.
- 1.47 "Network Element" means a facility or equipment used in the provision of a telecommunications service. Network Element also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a telecommunications service
- 1.48 "NID" or "Network Interface Device" means the point of demarcation between the end user's inside wiring and GTE's facilities.
- 1.49 "911 Service" means a universal telephone number which gives the public direct access to the PSAP. Basic 911 service collects 911 calls from one or more local exchange switches

that serve a geographic area. The calls are then sent to the correct authority designated to receive such calls.

- 1.50 "Numbering Plan Area" or "NPA" is also sometimes referred to as an area code. This is the three digit indicator which is defined by the "A", "B", and "C" digits of each 10-digit telephone number within the NANP. Each NPA contains 800 possible NXX Codes. There are two general categories of NPA, "Geographic NPAs" and "Non-Geographic NPAs". A Geographic NPA is associated with a defined geographic area, and all telephone numbers bearing such NPA are associated with services provided within that geographic area. A Non-Geographic NPA, also known as a "Service Access Code" or "SAC Code" is typically associated with a specialized telecommunications service which may be provided across multiple geographic NPA areas. 800, 900, 700, and 888 are examples of Non-Geographic NPAs.
- 1.51 "NXX", "NXX Code", "Central Office Code" or "CO Code" is the three digit switch entity indicator which is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers. Historically, entire NXX code blocks have been assigned to specific individual local exchange end office switches.
- 1.52 "Owner and Operator" As used in OSHA regulations, owner is the legal entity, including a lessee, which exercises control over management and record keeping functions relating to a building or facility. As used in the Resource Conservation and Recovery Act (RCRA), operator means the person responsible for the overall (or part of the) operations of a facility.
- 1.53 "POI" means Point of Interconnection.
- 1.54 "Provider" means GTE and "Customer" means USX with respect to those services performed by GTE pursuant to Article IV and any services for resale or unbundled network elements provided by GTE pursuant to Articles V and VI. USX shall be referred to as Provider and GTE shall be referred to as Customer with respect to those services performed by USX pursuant to Article IV.
- 1.55 "PSAP" means Public Safety Answering Points.
- 1.56 "Rate Center" means the specific geographic point and corresponding geographic area that are associated with one or more particular NPA-NXX Codes that have been assigned to a LEC for its provision of Exchange Services. The geographic point is identified by a specific V&H coordinate that is used to calculate distance-sensitive end user traffic to/from the particular NPA-NXXs associated with the specific Rate Center.
- 1.57 "Real Time" means interactive system-to-system communications and response (note: the speed of interaction of the systems will necessarily depend upon accuracy of input and network capabilities), with the reporting on, or the recording of, the event as simultaneous with the occurrence of the event as the actual system permits.
- 1.58 "Routing Point" denotes a location that a LEC has designated on its network as the homing (routing) point for traffic that terminates to Exchange Services provided by the LEC that bear a certain NPA-NXX designation. The Routing Point is used to calculate airline mileage for the distance-sensitive transport element charges of Switched Access Services. Pursuant to Bellcore Practice BR795-100-100, the Routing Point may be an end office location, or a "LEC Consortium Point of Interconnection." The Routing Point must be in the same LATA as the associated NPA-NXX.
- 1.59 "Service Control Point" or "SCP" is the node in the signaling network to which informational requests for service handling, such as routing, are directed and processed. The SCP is a

real time database system that, based on a query from the SSP, performs subscriber or application-specific service logic, and then sends instructions back to the SSP on how to continue call processing.

- 1.60 "Service Switching Point" or "SSP" means a Signaling Point that can launch queries to databases and receive/interpret responses used to provide specific customer services.
- 1.61 "Signaling Point" or "SP" means a node in the CCS network that originates and/or receives signaling messages, or transfers signaling messages from one signaling link to another, or both.
- 1.62 "Signaling System 7" or "SS7" means the signaling protocol, Version 7, of the CCS network, based upon American National Standards Institute ("ANSI") standards.
- 1.63 "Signal Transfer Point" or "STP" means a packet switch in the CCS network that is used to route signaling messages among SSPs, SPs, SCPs and other STPs in order to set up calls and to query databases for advanced services. GTE's network includes mated pairs of local and regional STPs. STPs are provided in pairs for redundancy.
- 1.64 "Subsidiary" of a Party means a corporation or other legal entity that is majority owned by such Party.
- 1.65 "Synchronous Optical Network" or "SONET" means synchronous electrical ("STS") or optical channel ("OC") connections between LECs.
- 1.66 "Switched Access Service" means the offering of facilities for the purpose of the origination or termination of traffic to or from Exchange Service customers in a given area pursuant to a switched access tariff. Switched Access Services include: Feature Group A, Feature Group B, Feature Group D, 800 access and 900 access services.
- 1.67 "Telecommunications Services" means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.
- 1.68 "Trunk Side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity, for example, to a private branch exchange ("PBX") or another central office switch. Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities and cannot be used for the direct connection of ordinary telephone station sets.
- 1.69 Undefined Terms The Parties acknowledge that terms may appear in this Agreement which are not defined and agree that any such terms shall be construed in accordance with their customary usage in the telecommunications industry as of the effective date of this Agreement.
- 1.70 "Vertical Features" (including "CLASS Features") means vertical services and switch functionalities provided by GTE, including: Automatic Call Back; Automatic Recall; Call Forwarding Busy Line/Don't Answer; Call Forwarding Don't Answer; Call Forwarding Variable; Call Forwarding - Busy Line; Call Trace; Call Waiting; Call Number Delivery Blocking Per Call; Calling Number Blocking Per Line; Cancel Call Waiting; Distinctive Ringing/Call Waiting; Incoming Call Line Identification Delivery; Selective Call Forward; Selective Call Rejection; Speed Calling; and Three Way Calling/Call Transfer.
- 1.71 "Wire Center" means a building or space within a building that serves as an aggregation point on a LEC's network, where transmission facilities and circuits are connected or switched.

ARTICLE III GENERAL PROVISIONS

- 1 Scope of General Provisions. Except as may otherwise be set forth in a particular Article or Appendix of this Agreement, in which case the provisions of such Article or Appendix shall take precedence, these General Provisions apply to all Articles and Appendices of this Agreement.
- 2 Term and Termination.
- 2.1 Term. Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be two (2) years from the effective date referenced Article III, Section 37 of this Agreement and shall continue in force and in effect until the earlier of the following: (i) a new Agreement addressing all of the terms of this Agreement becomes effective between the Parties or (ii) six months after the expiration of the initial period of the Agreement. The Parties agree to commence negotiations on USX's request, to be conducted pursuant to Section 252 of the Act, on a new Agreement no less than six (6) months before the end of the initial two (2) year period after this Agreement becomes effective.
- 2.2 Post-Termination Arrangements. Except in the case of termination as a result of either Party's default, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements may continue without interruption under (a) a new arrangement voluntarily executed by the Parties; (b) standard terms and conditions approved and made generally effective by the Commission, if any; or (c) tariff terms and conditions made generally available to all competitive local exchange carriers.
- 2.3 Termination Upon Default. Either Party may terminate this Agreement in whole or in part in the event of a default by the other Party; *provided however*, that the non-defaulting Party notifies the defaulting party in writing of the alleged default and that the defaulting Party does not cure the alleged default within sixty (60) calendar days of receipt of written notice thereof. Default is defined to include:
- (a) A Party's insolvency or the initiation of bankruptcy or receivership proceedings by or against the Party; or
 - (b) A Party's refusal or failure in any material respect properly to perform its obligations under this Agreement, or the violation any of the material terms or conditions of this Agreement..
- 2.4 Liability upon Termination. Termination of this Agreement, or any part hereof, for any cause shall not release either Party from any liability which at the time of termination had already accrued to the other Party or which thereafter accrues in any respect to any act or omission occurring prior to the termination or from an obligation which is expressly stated in this Agreement to survive termination.
- 2.5 Termination Upon Sale. Notwithstanding anything to the contrary contained herein, if a Party proposes to sell or otherwise transfer telephone exchanges or a portion thereof to which this Agreement applies, the following shall apply. The Party shall provide the other Party with at least one hundred and fifty (150) calendar days prior written notice of such transaction. The other Party may thereafter submit a Bona Fide Request to the purchasing entity to begin negotiations under the terms and conditions of the Telecommunications Act of 1996 with the intent of entering into a new agreement covering the sold or transferred telephone exchanges. This Agreement shall remain in effect for the sold or transferred telephone exchanges until completion of the sale or transfer and shall remain in full force and effect in the remaining operating areas that are unaffected by such sale or transfer.

- 3 Amendments. Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party. The term "this Agreement" shall include future amendments, modifications, and supplements.
- 4 Assignment. Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is , or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.
- 5 Authority. Each person whose signature appears on this Agreement represents and warrants that he or she has authority to bind the Party on whose behalf he or she has executed this Agreement.
- 6 Billing and Payment. Except as provided elsewhere in this Agreement and where applicable, in conformance with MECAB and MECOD guidelines, USX and GTE agree to exchange all information to accurately, reliably, and properly bill for features, functions and services rendered under this Agreement.
- 6.1 Dispute. If either Party disputes a billing statement, it shall notify the other Party in writing regarding the nature and the basis of the dispute within forty-five (45) calendar days of the statement date or the dispute shall be waived. Both Parties shall diligently work toward resolution of all billing issues.
- 6.2 Late Payment Charge. If any undisputed amount due on the billing statement is not received by Provider on the payment due date, Provider may charge, and Customer agrees to pay, interest on the past due balance at a rate equal to the lesser of one and one-half percent (1½%) per month or the maximum nonusurious rate of interest under applicable law. Late payment charges shall be included on the next statement.
- 6.3 Taxes. Provider shall charge and collect from Customer, and Customer agrees to pay to Provider, appropriate federal, state, and local taxes, except to the extent Customer notifies Provider and provides to Provider appropriate documentation that Customer qualifies for a full or partial exemption.
- 6.4 Due Date. Payment is due 30 calendar days from the bill date or 20 calendar days from receipt of bill whichever is later.
- 6.5 Audit Rights. Each Party shall have a right to audit all bills and charges rendered by the other pursuant to this Agreement, verifying the accuracy of items according to the terms agreed to by the Parties, including but not limited to, the charges for services being provided on a wholesale basis pursuant to this Agreement, usage recording and provisioning, and nonrecurring charges. Such audits shall be subject to the same terms and conditions as set forth in Article IV, section 3.2.
- 6.5.1 Responsibility for Payment. GTE may charge USX and USX will pay GTE a deposit before GTE is required to perform under this agreement if the CLEC has not established a good payment history with GTE. Such deposit will be calculated based on GTE's estimated two-month charges to USX using USX's forecast of resale lines and unbundled loops and ports. Interest will be paid on the deposit in accordance with state requirements for end user deposits.
- 7 Binding Effect. This Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the Parties.

- 8 Compliance with Laws and Regulations. Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.
- 9 Confidential Information.
- 9.1 Identification. Either Party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure.
- 9.2 Handling. In order to protect such Confidential Information from improper disclosure, each Party agrees:
- (a) That all Confidential Information shall be and shall remain the exclusive property of the source;
 - (b) To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
 - (c) To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
 - (d) Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
 - (e) To return promptly any copies of such Confidential Information to the source at its request; and
 - (f) To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.
- 9.3 Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.
- 9.4 Survival. The obligation of confidentiality and use with respect to Confidential Information disclosed by one Party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.
- 9.5 Non-Disclosure. Any Confidential Information that was provided by either Party to the other during negotiations prior to the execution of this Agreement, and that was identified as Confidential at that time, shall be governed by this paragraph 9. This Agreement shall not

replace any previous non-disclosure agreement between the Parties relating to such Information.

- 10 Good Faith Performance. In the performance of their obligations under this Agreement, the Parties shall act in good faith. In situations in which notice, approval, or similar action by a Party is permitted or required by any provision of this Agreement, such action shall not be unreasonably withheld, delayed, or conditioned.
- 11 Cooperation on Fraud Minimization. USX assumes responsibility for all fraud associated with its end user customers and accounts. The Parties shall cooperate with one another to investigate, minimize and take corrective action in cases of fraud. The Parties' fraud correction, minimization and corrective procedures are to be cost effective and implemented so as not to unreasonably burden or harm one Party as compared to the other. At a minimum, such cooperation shall include, when permitted by law or regulation, providing the other Party, upon reasonable request, information concerning end users who terminate services to that Party without paying all outstanding charges, when that Party is notified that such end user seeks service from the other Party.
- 12 Dispute Resolution.
- 12.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to arbitration over or the approval of this Agreement by the Commission and appeals therefrom, the Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order, injunction or declaration related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedure as their sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach; *provided, however*, that either Party may elect, before filing the claim or response in arbitration (as the case may be) to submit an otherwise arbitrable dispute to a Commission or court which would have jurisdiction were it not arbitrable.
- 12.2 Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery and production, which shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise admissible, be admitted in evidence in the arbitration or lawsuit.
- 12.3 Arbitration. If the negotiations do not resolve the dispute within sixty (60) days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of three individuals of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) days of the demand

for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

- 12.4 Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 12.2 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service-affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).
- 12.5 Costs. Each Party shall bear its own costs of these procedures. If a Party believes that a discovery request is unreasonable or unduly burdensome, it may seek protection from the Arbitrator, including in the form of cost reimbursement, rescheduling or limitation on same. The Parties shall equally split the fees of the arbitration and the arbitrator.
- 12.6 Continuous Service. Absent temporary or permanent injunctive relief, the Parties shall continue performing their obligations under this Agreement during the pendency of any dispute resolution procedure.
- 13 Entire Agreement. This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.
- 14 Expenses. Except as specifically set out in this Agreement, each Party shall be solely responsible for its own expenses involved in all activities related to the subject of this Agreement.
- 15 Force Majeure. In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or likes acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); *provided however*, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease.
- 16 Governing Law. Except to the extent governed by Federal law, this Agreement shall be governed by and construed in accordance with the domestic laws of the state where the Services are provided or the facilities reside and shall be subject to the exclusive jurisdiction of the courts therein.
- 17 Headings. The headings in this Agreement are inserted for convenience and identification only and shall not be considered in the interpretation of this Agreement.

- 18 Independent Contractor Relationship. The persons provided by each Party shall be solely that Party's employees and shall be under the sole and exclusive direction and control of that Party. They shall not be considered employees of the other Party for any purpose. Each Party shall remain an independent contractor with respect to the other and shall be responsible for compliance with all laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. Each Party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers' compensation, disability insurance, and federal and state withholding. Each Party shall indemnify the other for any loss, damage, liability, claim, demand, or penalty that may be sustained by reason of its failure to comply with this provision.
- 19 Limitation of Liability and Indemnity.
- 19.1 Indemnification. Each Party agrees to release, indemnify, defend, and hold harmless the other Party from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for losses, damages, or destruction of property, whether or not owned by others, proximately caused by the indemnifying Party's negligence or willful misconduct, regardless of form of action. The indemnified Party agrees to notify the other Party promptly, in writing, of any written claims, lawsuits, or demands for which it is claimed that the indemnifying Party is responsible under this Section and to cooperate in every reasonable way to facilitate defense or settlement of claims. The indemnifying Party shall have complete control over defense of the case and over the terms of any proposed settlement or compromise thereof. The indemnifying Party shall not be liable under this Section for settlement by the indemnified Party or any claim, lawsuit, or demand, if the indemnifying Party has not approved the settlement in advance, unless the indemnifying Party has had the defense of the claim, lawsuit, or demand tendered to it in writing and has failed to assume such defense. In the event of such failure to assume defense, the indemnifying Party shall be liable for any reasonable settlement made by the indemnified Party without approval of the indemnifying Party.
- 19.2 End User and Content-Related Claims. Customer agrees to release, indemnify, defend, and hold harmless Provider, its affiliates, and any third-party provider or operator of facilities involved in the provision of Services, unbundled network elements or facilities under this Agreement (collectively, the "Indemnified Parties") from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by Customer's end users against an Indemnified Party arising from Services, unbundled network elements or facilities. Customer further agrees to release, indemnify, defend, and hold harmless the Indemnified Parties from all losses, claims, demands, damages, expenses, suits, or other actions, or any liability whatsoever, including, but not limited to, costs and attorney's fees, suffered, made, instituted, or asserted by any third party against an Indemnified Party arising from or in any way related to actual or alleged defamation, libel, slander, interference with or misappropriation of proprietary or creative right, or any other injury to any person or property arising out of content transmitted by Customer or Customer's end users, or any other act or omission of Customer or Customer's end users. The provisions of this section 19.2 shall not exculpate Provider from judgment for liability arising out of its willful misconduct.
- 19.3 **DISCLAIMER. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, PROVIDER MAKES NO REPRESENTATIONS OR WARRANTIES TO CUSTOMER CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, UNBUNDLED NETWORK ELEMENTS OR FACILITIES PROVIDED UNDER THIS AGREEMENT. PROVIDER DISCLAIMS, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE,**

ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

- 19.4 Limitation of Liability. Each Party's liability, whether in contract, tort or otherwise, shall be limited to direct damages, which in Provider's case shall not exceed the pro rata portion of the monthly charges for the Services, Unbundled Network Elements or Facilities for the time period during which the Services, Unbundled Network Elements or Facilities provided pursuant to this Agreement are inoperative, not to exceed in total Provider's monthly charge to Customer. Under no circumstance shall either Party be responsible or liable for indirect, incidental, or consequential damages, including, but not limited to, economic loss or lost business or profits, damages arising from the use or performance of equipment or software, or the loss of use of software or equipment, or accessories attached thereto, delay, error, or loss of data. In connection with this limitation of liability, the Parties recognize that a Party may, from time to time, provide advice, make recommendations, or supply other analysis related to the Services, unbundled network elements or facilities described in this Agreement, and, while the Party shall use diligent efforts in this regard, the other Party acknowledges and agrees that this limitation of liability shall apply to provision of such advice, recommendations, and analysis. The limit that applies to direct damages quoted above will not apply in cases of injury caused by a Party's willful misconduct, provided that all other provisions of this subparagraph 19.4 (including limitation to direct damages) will apply.
- 19.5 Intellectual Property. Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision or use of any facilities by either Party under this Agreement constitutes direct or contributory infringement, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party.
- 20 Multiple Counterparts. This Agreement may be executed multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.
- 21 No Offer. Submission of this Agreement for examination or signature does not constitute an offer by Provider for the provision of the products or services described herein. This Agreement will be effective only upon execution and delivery by both Parties.
- 22 No Third Party Beneficiaries. Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other right or privilege.
- 23 Notices. Any notice to a Party required or permitted under this Agreement shall be in writing and shall be deemed to have been received on the date of service if served personally, on the date receipt is acknowledged in writing by the recipient if delivered by regular U.S. mail, or on the date stated on the receipt if delivered by certified or registered mail or by a courier service that obtains a written receipt. Notice may also be provided by facsimile, which shall be effective on the date received if received before 5:00 p.m. (at the recipient's location) on a Business Day and which otherwise shall be effective on the next Business Day following the date of receipt. "Business Day" shall mean Monday through Friday, except for holidays on which the U. S. mail is not delivered. Any notice shall be delivered using one of the alternatives mentioned in this section and shall be directed to the applicable address indicated below or such address as the Party to be notified has designated by giving notice in compliance with this section:

If to GTE: GTE North Incorporated
GTE South Incorporated
Attention: Assistant Vice President/Associate General Counsel
Business Development & Integration
600 Hidden Ridge - HQE03J43
Irving, TX 75038
Telephone number: 972/718-6361
Facsimile number: 972/718-3403

and

GTE North Incorporated
GTE South Incorporated
Attn: Director-Wholesale Contract Compliance
Network Services
600 Hidden Ridge - HQE03D52
Irving, TX 75038
Telephone Number: 972/718-5988
Facsimile Number: 972/719-1519

If to USX: US Xchange of Illinois, L.L.C.
Attention: David J. Easter, Vice President, Development
20 Monroe N.W.
Suite 450
Grand Rapids, Michigan 49503
Facsimile number: (616) 493-7007

24 Protection.

24.1 Impairment of Service. The characteristics and methods of operation of any circuits, facilities or equipment of either Party connected with the services, facilities or equipment of the other Party pursuant to this Agreement shall not interfere with or impair service over any facilities of the other Party, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to their plant, violate any applicable law or regulation regarding the invasion of privacy of any communications carried over the Party's facilities or create hazards to the employees of either Party or to the public (each hereinafter referred to as an "Impairment of Service").

24.2 Resolution. If either Party causes an Impairment in Service, the Party whose network or service is being impaired (the "Impaired Party") shall promptly notify the Party causing the Impairment of Service (the "Impairing Party") of the nature and location of the problem and that, unless promptly rectified, a temporary discontinuance of the use of any circuit, facility or equipment may be required. The Impairing Party and the Impaired Party agree to work together to attempt to promptly resolve the Impairment of Service. If the Impairing Party is unable to promptly remedy the Impairment of Service, then the Impaired Party may at its option temporarily discontinue the use of the affected circuit, facility or equipment.

25 Publicity. Each Party shall give the other at least 48 hours prior written notice of any news release, public announcement, advertising, or any form of publicity pertaining to this Agreement, provision of services pursuant to it, or association of the Parties with respect to provision of the services described in this Agreement. Each Party shall provide the other at least 24 hours prior written notice of a news release related to the execution, filing and approval of this Agreement.

26 Regulatory Agency Control. This Agreement shall at all times be subject to changes, modifications, orders, and rulings by the Federal Communications Commission and/or the applicable state utility regulatory commission to the extent the substance of this Agreement is or

becomes subject to the jurisdiction of such agency. Notwithstanding the date set forth in the first paragraph of this Agreement, if this Agreement is subject to advance approval of a regulatory agency, this Agreement shall not become effective until five business days after receipt by GTE of written notice of such approval. Such date shall become the "effective date" of this Agreement for all purposes. While awaiting Commission approval of this Agreement, each Party shall, in good faith, undertake such reasonable activities related to planning for and testing of services and facilities to be provided under this Agreement as may be appropriate to enable it to begin performing its obligations after approval is received.

- 27 Regulatory Matters. GTE shall be responsible for obtaining and keeping in effect all FCC, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. USX shall be responsible for obtaining and keeping in effect all FCC, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with its offering of services to USX Customers contemplated by this Agreement.
- 28 Rule of Construction. No rule of construction requiring interpretation against the drafting party hereof shall apply in the interpretation of this Agreement.
- 29 Section References. Except as otherwise specified, references within an Article of this Agreement to a Section refer to Sections within that same Article.
- 30 Service Standards.
- 30.1 The parties shall meet applicable quality of local service standards imposed by the Commission and will provide a level of services to each other under this Agreement in compliance with the nondiscrimination requirements of the Act.
- 30.2 GTE shall provide USX with notice of any new or changed feature, functionality or price pertaining to pre-ordering, ordering/provisioning, maintenance and billing for "Services" necessary to ensure that USX can provide retail local exchange services which are at least equal in quality to comparable GTE retail local exchange services.
- 30.3 The parties will alert each other to any network events that can result or have resulted in service interruption, blocked calls, and/or changes in network performance. GTE will treat USX in a nondiscriminatory manner equal to GTE's established business practice, e.g., GTE will advise USX of any such network event resulting in blocked calls or lost features.
- 30.4 Performance Measures set forth in Appendix J shall apply under the terms and conditions set forth in that Appendix J.
- 31 Severability. If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results, in the opinion of either Party, in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.
- 32 Standard Practices. The Parties acknowledge that GTE shall be adopting some industry standard practices and/or establishing its own standard practices to various requirements hereunder applicable to the CLEC industry which may be added in the Guide. USX agrees that GTE may implement such practices to satisfy any GTE obligations under this Agreement. A copy has been provided to USX via the Internet at <http://www.gte.com/CLECDocs/mainpage.htm> and is incorporated by reference into this Agreement. Changes which may be made to the Guide from

time to time shall not limit or restrict either Party's contractual obligations as set forth herein, including obligations to provide services.

- 33 Subcontractors. Provider may enter into subcontracts with third parties or affiliates for the performance of any of Provider's duties or obligations under this Agreement.
- 34 Subsequent Law. The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, regulations or guidelines that subsequently may be prescribed by any federal, state or local governmental authority. To the extent required by any such subsequently prescribed law, rule, regulation or guideline, the parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, regulation or guideline.
- 35 Taxes. Any state or local excise, sales, ad valorem, or use taxes (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation that qualifies the obligated Party for a full or partial exemption. Any such taxes shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party.
- 36 Trademarks and Trade Names. Neither Party shall publish or use any advertising, sales promotions or other publicity materials that use the other Party's logo, trademarks, service marks or trade names without the prior written approval of the other Party, and nothing in this Agreement shall grant, suggest, or imply any license or authority for the other Party to use such logo, trademarks, service marks, or trade names for any purpose. Notwithstanding the above, a Party may refer truthfully to the name of the other party in response to customers' inquiries relating to service.
- 37 Waiver. The failure of either Party to insist upon the performance of any provision of this Agreement, or to exercise any right or privilege granted to it under this Agreement, shall not be construed as a waiver of such provision or any provisions of this Agreement, and the same shall continue in full force and effect.
- 38 Effective Date. If this Agreement or changes or modifications thereto are subject to approval of a regulatory agency, the "effective date" of this Agreement for such purposes will be upon approval by the regulatory agency.
- 39 Environmental Responsibility.
- 39.1 Each Party is required to provide specific notice for potential imminent danger conditions which could include, but is not limited to, a defective utility pole or significant petroleum contamination in a manhole.

In the event USX wishes to bring hazardous materials to GTE facilities, USX will notify GTE and the parties will immediately negotiate the environmental health and safety practices and procedures that USX will observe at GTE facilities. In the event the parties cannot agree on the practices and procedures to be observed, the dispute may be submitted to binding arbitration by either party within five (5) Business Days. Once such a dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration

Association (i.e., rules 53 through 57). Each Party shall bear its own costs of these procedures. The Parties shall equally split the fees of the arbitration and the arbitrator.

- 39.2 GTE will make available additional environmental control or safety procedures for USX to review, and USX will make best efforts to follow these procedures when working at a GTE Facility. Providing these procedures, beyond government regulatory Compliance requirements, is the decision of GTE. These practices/procedures will represent the regular work practices required to be followed by the employees and contractors of GTE for safety and environmental protection.
- 39.3 Any materials brought to or stored at a GTE Facility by USX are the property of USX. USX must demonstrate adequate emergency response capabilities for its materials brought to or stored at the GTE Facility.
- 39.4 If Third Party Contamination is discovered at a GTE Facility, the Party uncovering the contamination must timely notify the proper safety or environmental authorities, to the extent that such notification is required by applicable law. If USX discovers contamination which it reasonably believes was caused by a Third Party, USX will immediately notify GTE and will consult with GTE prior to making any required notification, unless the time required for prior consultation would preclude USX from complying with an applicable reporting requirement.
- 39.5 USX shall obtain and use its own environmental permits, approvals, or identification numbers to the extent that such permits, approvals, or identification numbers are required under applicable laws. If the relevant regulatory authority refuses to issue a separate permit, approval, or identification number to USX after a complete and proper request by USX for same, then GTE's permit, approval, or identification number may be used as authorized by law and upon prior approval by GTE. In that case, USX must comply with all of GTE's environmental, health, and safety practices/procedures relating to the activity in question, including, but not limited to, use of environmental "best management practices (BMP)" and selection criteria for vendors and disposal sites. GTE will provide USX such BMP and the complete information needed to follow such practices in a timely manner prior to the need for such information occurring. The Parties acknowledge and agree that nothing in this Agreement, use of GTE's permits, approvals, or identification numbers, or compliance with GTE's practices/procedures constitutes a representation or warranty that USX's activities will be in compliance with applicable laws, and such compliance or use of GTE's permits, approvals, or identification numbers creates no right of action against GTE.
- 39.4 USX will make best efforts to ensure that its visitors to GTE facilities comply with GTE security, fire safety, safety, environmental and building practices/codes including equivalent employee training when working in GTE facilities.
- 39.5 GTE and USX shall coordinate plans or information required to be submitted to government agencies, such as emergency response plans and community reporting. If fees are associated with filing, GTE and USX must develop a cost sharing procedure.
- 39.6 Activities impacting safety or the environment of a Right of Way must be harmonized with the specific agreement and the relationship between GTE and the private land owner. This could include limitations on equipment access due to environmental conditions (e.g., wetland area with equipment restrictions).
- 40 TBD Prices. Numerous provision in this Agreement and its Attachments refer to pricing principles. If a provision references GTE prices in an Attachment and there are no corresponding prices in such Attachment, such price shall be considered "To Be Determined" (TBD). With respect to all TBD prices, prior to USX ordering any such TBD item, the Parties shall meet and confer to establish a price. If the parties are unable to reach agreement on a price for such item, an interim price shall be set for such item that is equal to the price for the nearest analogous item for which a

price has been established (for example, if there is not an established price for a nonrecurring charge (NRC) for a specific network element, the parties would use the NRC for the most analogous retail service for which there is an established price.) Any interim prices so set shall be subject to modification by any subsequent decision of the Commission. If an interim price is different from the rate subsequently established by the Commission, any underpayment shall be paid by USX to GTE, and any overpayment shall be refunded by GTE to USX, within 45 business days after the establishment of the price by the Commission.

41 Amendment of Certain Rates, Terms and Conditions. The Parties agree as follows with respect to modification of the rates, terms and conditions initially provided for herein:

The parties each agree and acknowledge that they have mutually agreed to incorporate into this Agreement the rates, terms and conditions that are specified in Appendix 41A in order to temporarily resolve issues regarding this Agreement without recourse to formal arbitration pursuant to § 252 of the Act. Accordingly, this Agreement has been reached as a result of compromise, and the execution of this Agreement does not constitute a representation by either party that the rates, terms and conditions set forth in Appendix 41A are either required by any applicable law or regulation or equal to the rates, terms and conditions that would be established as a result of formal arbitration pursuant to § 252 of the Act. Moreover, neither party waives any right with respect to any position it may take in the future with respect to the establishment of rates, terms and conditions related to the subject matter of this Agreement which may become effective subsequent to the termination of this Agreement.

GTE reserves all rights to challenge the lawfulness of the AT&T terms. Therefore, the AT&T Terms are used herein only because the Commission has already issued its decision approving the AT&T Terms in the AT&T Arbitration. USX has represented that it would request the same terms in an arbitration before the Commission, and the parties desire to avoid another arbitration over the same terms.

The rates, terms and conditions in this Agreement that are specified in Appendix 41A (the "AT&T Terms") were taken from the GTE/AT&T Interconnection, Resale and Unbundling arbitration decision ("AT&T Arbitration") approved by the Commission in Case No. 96-AB-005. The rates not included in this Agreement but referenced in Appendix 41B (the "GTE Terms") were not accepted in the AT&T Arbitration by the Commission in Case No. 96-AB-005. GTE and USX agree that if the AT&T Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or in part, by a court or commission of competent jurisdiction, then this Agreement shall be deemed to have been amended accordingly, by modification of the AT&T Terms or, as appropriate, the substitution of GTE Terms for all stayed and enjoined AT&T Terms, and such amendments shall be effective retroactive to the Effective Date of this Agreement. GTE reserves all rights to challenge the lawfulness of the AT&T Terms.

The parties further agree that the terms and conditions of this Agreement reflect certain requirements of the FCC's First Report and Order in CC Docket No. 96-98. The terms and conditions of this Agreement shall be subject to any and all actions by any court or other governmental authority that invalidate, stay, vacate or otherwise modify the FCC's First Report and Order, in whole or in part ("actions"). To the extent warranted by any such action, the parties agree that this Agreement shall be deemed to have been modified accordingly as in the first paragraph of this Section 41. The parties agree to immediately apply any affected terms and conditions, including any in other sections and articles of this Agreement, consistent with such action, and within a reasonable time incorporate such modified terms and conditions in writing into the Agreement. GTE does not waive any position regarding the illegality or inappropriateness of the FCC's First Report and Order.

The rates (including rates which may be applicable under true-up) specified in both the GTE Terms and the AT&T Terms are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered

costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation. In the event the Commission sets generic interim GTE rates for CLEC purchase of GTE unbundled network elements, interconnection or services, those rates shall substitute for those provided for in the agreement going forward, subject to applicable law and subject to any future amendment by the Commission.

The parties agree that, in the event that GTE decides to appeal the arbitrated AT&T rates which are applicable here only on an interim basis, the entire record (including but not limited to all evidence and findings) from the AT&T Arbitration is incorporated herein by reference pursuant to Section 252(e) of the Act.

If the Commission (or any other commission or federal or state court) in reviewing this Agreement pursuant to applicable state and federal laws, including Section 252(e) of the Telecommunications Act of 1996, deletes or modifies in a material way this Section 41, then the Parties agree that they will reopen negotiations within ten (10) days after receipt of the final decision making such deletion or modification in order to attempt to craft the new provision that will provide substantially the same protections to GTE and USX as this Section 41. If the Parties cannot reach agreement on such a provision within twenty (20) calendar days thereafter, the Parties agree that this entire Agreement is void. In such event, each Party shall have 25 days following the close of the 20-day negotiation period within which to file a petition for arbitration before the Commission under Section 252(e) of the Telecommunications Act of 1996 of the issues that remain in dispute under this paragraph.

ARTICLE IV
INTERCONNECTION AND TRANSPORT AND TERMINATION OF TRAFFIC

1 Services Covered by This Article.

- 1.1 Types of Services. This Article governs the provision of internetwork facilities (i.e., physical interconnection services and facilities), meet point billing by GTE to USX or by USX to GTE transport and termination and billing of Local, IntraLATA Toll, optional EAS traffic and jointly provided Interexchange Carrier Access between GTE and USX. The services and facilities described in this Article shall be referred to in this Article IV as the "Services."
- 1.2 Service Locations for Interconnection Services and Facilities. Appendix A, Service Matrix, attached to this Agreement and made a part hereof, sets forth the Services and each location in the State where a Service shall be provided (the "Service Locations") and the Point of Interconnection ("POI") for such Services. The Parties shall update Appendix A whenever a new Service or a new Service Location is added to this Agreement in accordance with Section 1.3.
- 1.3 Additional Services or Service Locations. If, during the term of this Agreement, GTE desires to provide to USX and USX desires to purchase from GTE, or USX desires to provide to GTE and GTE desires to purchase from USX, additional services in the State, or existing Services in new locations in the State, the Parties shall execute an amendment to this Agreement substantially in the form of Appendix B attached to this Agreement and made a part hereof, incorporating the additional locations and/or any additional terms necessary for the additional services. Upon the effective date of the amendment, and continuing through the remaining term of this Agreement, the new services shall be deemed part of the Services provided pursuant to this Article and/or the new locations shall be deemed part of the Service Locations.

2 Billing and Rates.

- 2.1 Rates and Charges. Customer agrees to pay to Provider the rates and charges for the Services set forth in the applicable appendices to this Agreement. GTE's rates and charges are set forth in Appendix C attached to this Agreement and made a part hereof.
- 2.2 Billing. Provider shall render to Customer a bill for interconnection services on a current basis. Charges for physical facilities and other nonusage sensitive charges shall be billed in advance, except for charges and credits associated with the initial or final bills. Usage sensitive charges, such as charges for termination of Local Traffic, shall be billed in arrears. Additional matters relating to billing are included in Appendix G attached to this Agreement and made a part hereof.

3 Transport and Termination of Traffic.

- 3.1 Types of Traffic. The Parties shall reciprocally terminate Local and intraLATA Toll Traffic originating on each other's networks utilizing either direct or indirect network interconnections as provided in this Article IV. Only traffic originated by or terminating to the Parties' end user customers is to be exchanged. The Parties also agree to exchange traffic associated with third party wireless carriers, local exchange carriers, and competitive local exchange carriers as described in Section 3.4.
- 3.1.1 The Parties disagree as to whether Local Traffic includes traffic terminated to Internet Service Providers for purposes of reciprocal compensation. GTE feels such traffic is interstate and USX feels such traffic is Local. On an interim basis, the Parties will not compensate each other for this traffic. GTE and USX agree that if a final decision of a court or commission of competent jurisdiction which is binding upon the parties mandates that such traffic is to be classified as Local, the

Parties will compensate each other for all such traffic in accordance with the terms, rates, and conditions of this Agreement: (i) on a going forward basis as though such traffic were Local and , (ii) for previously exchanged traffic to the effective date of this Agreement. Retroactive payment amounts shall be calculated for each Party and shall include any accumulated interest from the date such charges were incurred at a rate of five percent per annum (5% APR), or the maximum nonusurious rate of interest under applicable law. In the event such retroactive payment amounts are not in balance, a net payment shall be made to one Party by the other for the difference.

3.2 Audits. Either Party may conduct an audit of the other Party's books and records, no more frequently than once per twelve (12) month period, to verify the other Party's compliance with provisions of this Article IV. Any audit shall be performed as follows: (i) following at least ten (10) days' prior written notice to the audited Party; (ii) subject to the reasonable scheduling requirements and limitations of the audited Party; (iii) at the auditing Party's sole cost and expense; (iv) of a reasonable scope and duration; (v) in a manner so as not to interfere with the audited Party's business operations; and (vi) in compliance with the audited Party's security rules.

3.3 Compensation For Exchange Of Traffic.

3.3.1 Mutual Compensation. The Parties shall compensate each other for the exchange of Local Traffic originated by or terminating to the Parties' end user customers in accordance with Section 3.3.2 of this Article. The Parties agree to the initial state level exempt factor representative of the share of traffic exempt from local compensation. This initial exempt factor is set forth in Appendix C. This factor will be updated quarterly in like manner or as the Parties otherwise agree. Once the traffic that is exempt from local compensation can be measured, the actual exempt traffic will be used rather than the above factor. Charges for the transport and termination of optional EAS, intraLATA toll and interexchange traffic shall be in accordance with the Parties' respective intrastate or interstate access tariffs, as appropriate.

3.3.2 Bill-and-Keep. The Parties shall assume that Local Traffic is roughly balanced between the parties unless traffic studies indicate otherwise. Accordingly, the Parties agree to use a Bill-and-Keep Arrangement with respect to termination of Local Traffic only. Either Party may request that a traffic study be performed no more frequently than once a quarter. Should such traffic study indicate, in the aggregate, that either Party is terminating more than 60 percent of the Parties' total terminated minutes for Local Traffic, either Party may notify the other that mutual compensation will commence pursuant to the rates set forth in Appendix C of this Agreement and following such notice it shall begin and continue for the duration of the Term of this Agreement unless otherwise agreed. Nothing in this Section 3.3.2 shall be interpreted to (i) change compensation set forth in this Agreement for traffic or services other than Local Traffic, including but not limited to internetwork facilities, access traffic or wireless traffic, or (ii) allow either Party to aggregate traffic other than Local Traffic for the purpose of compensation under the Bill-and-Keep Arrangement described in this Section 3.3.2, except as set forth in Section 3.1 above.

3.3.3 Sharing of Access Charges on Calls to Ported Numbers. Until permanent number portability is implemented, the Parties agree that switched access termination to a ported number will be billed by the party providing interim number portability and that the party billing the switched access will share the switched access revenue with the other party. After permanent number portability is implemented, the parties agree to renegotiate sharing of access charges to ported numbers in accordance with permanent number portability requirements. In lieu of actual

measurements of minutes and/exchange of billing records for this traffic the parties agree to compensate each other on the following basis: The party providing the ported number will pay the other party at the rates set forth in Appendix D.

- (a) The number of lines/talk paths per ported number that are subject to compensation will be determined at the time the end user customer's local service is changed from one party to the other. The number of lines per number eligible for the shared revenue arrangement described in this section will be limited to the number of lines in service on the date of conversion plus a 10% growth margin. After conversion the number of lines per number available for compensation can only be increased by mutual consent of the parties.
- (b) The Parties agree that the compensation rate in paragraph 3.3.3 may change as a result of changes in access rates, traffic volume or for other reasons and agree to renegotiate the rate if a significant event occurs. At a minimum, the Parties agree to reevaluate the rate on an annual basis.
- (c) The Parties agree that terminating switched access calls ported via interim number portability may appear to the receiving party to be a local call and that the implementation of reciprocal compensation for terminating local calls may result in overcompensation for ported switched access calls. Therefore, the Parties agree to renegotiate the terminating shared access compensation rate if reciprocal compensation for local calls is implemented.

3.3.4 Reciprocal Compensation Arrangements for Call Termination. Reciprocal compensation arrangements for call termination using unbundled network elements shall be as provided in Appendix I attached hereto.

3.4 Tandem Switching Services. The Parties will provide tandem switching for traffic between the Parties' end offices subtending each other's access tandem, as well as for traffic between either Party's end users and any third party which is interconnected to the other Party's access tandems. Third party traffic is subject to the following conditions:

3.4.1 The originating Party will compensate the tandem Party for each minute of originated tandem switched traffic which terminates to third party (e.g., other CLEC, ILEC, or wireless service provider). The applicable rate for this charge is identified in Appendix C.

3.4.2 The originating Party also assumes responsibility for compensation to the terminating Party.

3.4.3 Services Provided. Tandem switching services provided pursuant to this Section 3.4 shall include the following:

- (a) signaling;
- (b) screening and routing;
- (c) recording;
- (d) access to AIN functionality, in accordance with the terms and conditions of Article VI and Article VII of this Agreement;

- (e) access to operator services and directory assistance, in accordance with the terms and conditions of Article VI and Article VII of this Agreement;
- (f) support of all trunk interconnections;
- (g) access to PSAPs, in accordance with the terms and conditions of Article VI of this Agreement; and
- (h) transit of traffic to and from third parties in accordance with the terms and conditions of this section.

3.5 Inter-Tandem Switching. The Parties will only use inter-tandem switching for the transport and termination of traffic originating on each other's network at and after such time as either (i) USX has agreed to and fully implemented an existing intraLATA toll compensation mechanism such as IntraLATA Terminating Access Compensation (ITAC) or a functional equivalent thereof or (ii) generally accepted industry signaling standards and AMA record standards support the recognition of multiple tandem switching events.

4 Direct Network Interconnection.

4.1 Network Interconnection Architecture. USX may interconnect with GTE on its network at any of the minimum Currently Available points required by the FCC. Interconnection at additional points will be reviewed on an individual case basis. Where the Parties mutually agree following a Bona Fide Request (BFR) to directly interconnect their respective networks, interconnection will be as specified in the following subsections. Based on the configuration, the installation time line will vary considerably, however, GTE will work with USX in all circumstances to install IPs within 120 calendar days absent extenuating circumstances. Internetwork connection and protocol must be based on industry standards developed consistent with Section 256 of the Act.

4.1.1 Subject to mutual agreement, the Parties may use the following types of network facility interconnection, using such interface media as are (i) appropriate to support the type of interconnection requested and (ii) available at the facility at which interconnection is requested.

- (a) A Mid-Span Fiber Meet within an existing GTE exchange area whereby the Parties mutually agree to jointly plan and engineer their facility IP at a designated manhole or junction location. The IP is the demarcation between ownership of the fiber transmission facility. Each party is individually responsible for its incurred costs in establishing this arrangement.
- (b) A virtual or physical Expanded Interconnection Service (EIS) arrangement at a GTE Wire Center subject to the rates, terms, and conditions contained in GTE's applicable tariffs.
- (c) A special access and/or CLEC Dedicated Transport arrangement terminating at a GTE Wire Center subject to the rates, terms, and conditions contained in GTE's applicable tariffs. These facilities will meet the standards set forth in such tariffs.

4.1.2 Virtual and physical EIS arrangements are governed by appropriate GTE tariffs, except as provided in Article ?, Section 2.

4.1.3 The Parties will mutually designate at least one IP on GTE's network within each GTE local calling area for the routing of Local Traffic.

- 4.2 Compensation. The Parties agree to the following compensation for internetwork facilities, depending on facility type.
- 4.2.1 Mid-Span Fiber Meet: GTE will charge special access (flat rated) transport from the applicable intrastate access tariff and will rate charges between the IP and GTE's interconnection switch. Charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. The initial proportionate share factor for facilities is set forth in Appendix C. This factor will be updated quarterly in like manner or as the Parties otherwise agree. USX will charge flat rated transport to GTE for USX facilities used by GTE at tariffed rates or as mutually agreed. USX will apply charges based on the lesser of; (i) the airline mileage from the IP to the USX switch; or (ii) the airline mileage from the GTE switch to the serving area boundary.
- 4.2.2 Collocation: GTE will charge Virtual or Physical EIS rates from the applicable GTE tariff. USX will charge GTE flat rated transport at tariffed rates or as mutually agreed, to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. USX will apply charges based on the lesser of (i) the airline mileage from the IP to the USX switch; or (ii) two (2) times the airline mileage from the GTE switch to the serving area boundary.
- 4.2.3 Special Access and/or CLEC Dedicated Transport : GTE will charge special access and/or switched access rates from the applicable GTE intrastate access tariff. Charges will be reduced to reflect the proportionate share of the facility that is used for transport of traffic originated by GTE. The Parties will negotiate an initial factor representative of the proportionate share of the facilities. This factor will be updated quarterly in like manner or as the Parties otherwise agree.
- 4.3 Trunking Requirements.
- 4.3.1 The Parties agree to establish trunk groups of sufficient capacity from the interconnecting facilities such that trunking is available to any switching center designated by either Party, including end offices, tandems, 911 routing switches, and directory assistance/operator service switches. The Parties will mutually agree where one-way or two-way trunking will be available. The Parties may use two-way trunks for delivery of Local Traffic or either Party may elect to provision its own one-way trunks for delivery of Local Traffic to the other Party. If a Party elects to provision its own one-way trunks, that Party will be responsible for its own expenses associated with the trunks.
- 4.3.2 USX shall make available to GTE trunks over which GTE shall terminate to end users of USX-provided Exchange Services, Local Traffic and intraLATA toll or optional EAS traffic originated from end users of GTE-provided Exchange Service.
- 4.3.3 USX and GTE shall, where applicable, make reciprocally available, by mutual agreement, the required trunk groups to handle different traffic types. USX and GTE will support the provisioning of trunk groups that carry combined or separate Local Traffic and intraLATA toll and optional EAS traffic. GTE requires separate trunk groups from USX to originate and terminate interLATA calls and to provide Switched Access Service to IXC's. To the extent USX desires to have any IXC's originate or terminate switched access traffic to or from USX, using jointly provided switched access facilities routed through a GTE access tandem, it is the responsibility of USX to arrange for such IXC to issue an ASR to GTE to direct GTE to route the traffic. If GTE does not receive an ASR from the IXC, GTE will initially route the switched access traffic between the IXC and USX. If the IXC subsequently indicates that it does not want the traffic routed to or from USX, GTE will not route the traffic.

4.3.3.1 Each Party agrees to route traffic only over the proper jurisdictional trunk group.

4.3.3.2 Each Party shall only deliver traffic over the local interconnection trunk groups to the other Party's access tandem for those publicly-dialable NXX Codes served by end offices that directly subtend the access tandem or to those wireless service providers that directly subtend the access tandem.

4.3.3.3 Neither party shall route Switched Access Service traffic over local interconnection trunks, or Local Traffic over Switched Access Service trunks.

4.3.4 End-Office Trunking. The Parties will work together to establish high usage end-office trunk groups sufficient to handle the greater of the actual or reasonably forecasted traffic volumes between a USX end office and a GTE end office.

4.3.5 USX and GTE will reciprocally provide Percent Local Usage (PLU) factors to each other on a quarterly basis to identify the proper percent of Local Traffic carried on local interconnection trunks. If either Party does not provide to the other Party an updated PLU, the previous PLU will be utilized. The parties agree to the initial PLU factor as set forth in Appendix E.

4.3.6 Reciprocal traffic exchange arrangement trunk connections shall be made at a DS-1 or multiple DS-1 level, DS-3, ((Synchronous Optical Network (SONET) where technically available) and shall be jointly-engineered to an objective P.01 grade of service.

4.3.7 USX and GTE agree to use diligent efforts to develop and agree on a Joint Interconnection Grooming Plan prescribing standards to ensure that the reciprocal traffic exchange arrangement trunk groups are maintained at consistent P.01 or better grades of service. Such plan shall also include mutually-agreed upon default standards for the configuration of all segregated trunk groups.

4.3.8 SS7 Common Channel Signaling will be used to the extent that such technology is available. If SS7 is not available, Multi-Frequency Signaling (MF) will be used as specified.

4.3.9 The Parties agree to offer and provide to each other B8ZS Extended Superframe Format (ESF) facilities, where available, capable of voice and data traffic transmission.

4.3.10 The Parties will support intercompany 64kbps clear channel where available.

4.3.11 Orders between the Parties to establish, add, change or disconnect trunks shall be processed by use of an Access Service Request (ASR), or another industry standard eventually adopted to replace the ASR for local service ordering as referenced in Appendix G.

4.4 Trunk Forecasting.

4.4.1 The Parties will work towards the development of joint forecasting of trunk groups. Intercompany forecast information must be provided by the Parties to each other twice a year. The semi-annual forecasts will include:

4.4.1.1 yearly forecasted trunk quantities for no less than a two-year period (current year, plus one year); and

- 4.4.1.2 the use of (i) CLCI™-MSG codes, which are described in Bellcore document BR 795-100-100; (ii) circuit identifier codes as described in BR 795-400-100; and (iii) Trunk Group Serial Number (TGSN) as described in BR 751-100-195.
 - 4.4.2 Description of major network projects that affect the other Party will be provided with the semi-annual forecasts provided pursuant to Section 4.4.1. Major network projects include but are not limited to trunking or network rearrangements, shifts in anticipated traffic patterns, or other activities by either Party that are reflected by a significant increase or decrease in trunking demand for the following forecasting period.
 - 4.4.3 GTE and USX will work together to begin providing these forecasts within thirty (30) days after the effective date of this Agreement. New trunk groups will be implemented as dictated by engineering requirements for either Party.
 - 4.4.4 Parties will meet to review and reconcile their forecasts if their respective forecasts differ significantly from one another.
- 4.5 Trunk Facility Under Utilization. At least once a year the Parties shall exchange trunk group measurement reports for trunk groups terminating to the other Party's network. In addition and from time to time, each Party will determine the required trunks for each of the other Party's trunk groups from the previous 12 months servicing data. Required trunks will be based on an objective P.01 grade of service or the Joint Interconnection Grooming Plan referenced in Section 4.3.7 above. Likewise, from time to time trunk groups with excess capacity will be identified to the other Party as eligible for downsizing. Excess capacity exists when a trunk group, on a modular trunk group design basis, has 24 trunks (one modular digroup) or ten (10) percent, whichever is larger, over the required number of trunks. The Party with excess trunking capacity will assess the trunk capacity based on forecasted requirements for the next 12 months. If after 12 months the trunk group continues to have excess capacity, the Party agrees to take steps to disconnect all excess capacity.
- 4.6 Network Redesigns Initiated by GTE. GTE will not charge USX when GTE initiates its own network redesigns/reconfigurations.
- 4.7 Interconnection Calling and Called Scopes for the Access Tandem Interconnection and the End Office Interconnection.
 - 4.7.1 GTE Access Tandem Interconnection calling scope (originating and terminating) is to those GTE end offices which subtend the GTE access tandem to which the connection is made except as provided for in Section 3.4 of this Article IV.
 - 4.7.2 GTE End Office Interconnection calling scope (originating and terminating) is only to the end office and its remotes to which the connection is made.
- 5 Indirect Network Interconnection. Neither Party shall deliver traffic destined to terminate at the other Party's end office via another LEC's end office. In addition, neither Party shall deliver traffic destined to terminate at an end office subtending the other Party's access tandem via another LEC's access tandem. Either Party may deliver traffic destined to terminate at the other Party's end office via another LEC's tandem provided that the Parties have established compensation agreement(s) specific to this arrangement.
- 6 Number Resources.
 - 6.1 Number Assignment. Nothing in this Agreement shall be construed to, in any manner, limit or otherwise adversely impact USX's right to employ or to request and be assigned any

NANP number resources including, but not limited to, Central Office (NXX) Codes pursuant to the Central Office Code Assignment Guidelines. Any request for numbering resources by USX shall be made directly to the NANP Number Plan Administrator. Except with respect to those areas in which GTE is the NANP Number Plan administrator, GTE shall not be responsible for the requesting or assignment of number resources to USX. USX shall not request number resources to be assigned to any GTE switching entity.

- 6.2 Rate Centers. For purposes of compensation between the Parties and the ability of GTE to appropriately apply its toll tariff to its end user customers, USX shall adopt the Rate Center areas and Rate Center points that the Commission has approved for the incumbent LEC and shall assign whole NPA-NXX codes to each Rate Center. However, in the event that the NANP Number Plan Administrator limits the assignment of NXX codes within a particular NPA, the Parties will work cooperatively with industry groups to seek industry-wide solutions.
- 6.3 Routing Points. USX will also designate a Routing Point for each assigned NXX code. USX may designate one location within each Rate Center as a Routing Point for the NPA-NXX associated with that Rate Center; alternatively USX may designate a single location within one Rate Center to serve as the Routing Point for all the NPA-NXXs associated with that Rate Center and with one or more other Rate Centers served by USX within an existing GTE exchange area. USX shall use diligent efforts to designate at least one Routing Point in GTE's exchange area for all NPA-NXXs associated with GTE's Rate Centers.
- 6.4 Code Administration. The Parties will comply with code administration requirements as prescribed by the FCC, the Commission, and accepted industry guidelines.
- 6.5 Programming Switches. It shall be the responsibility of each Party to program and update its own switches and network systems pursuant to the Local Exchange Routing Guide (LERG) guidelines to recognize and route traffic to the other Party's assigned NXX codes at all times. Neither Party shall impose any fees or charges whatsoever on the other Party for such activities.
- 7 Interim Number Portability (INP). Each Party shall provide the other Party with INP for the purpose of allowing end user customers to change service-providing Parties without changing their telephone number. However, GTE shall not be required to provide INP in locations where it has an electromechanical central office switch. GTE shall provide its INP to USX using remote call forwarding ("RCF"). The GTE rates for INP service using RCF are set out in Appendix D attached to this Agreement and made a part hereof. If USX wishes to use Direct Inward Dialing ("DID") to provide INP to its end users, USX may purchase DID service from GTE at the wholesale rate. USX shall provide INP to GTE at the rates specified for USX in Appendix D. USX may obtain for its end users the same location portability that GTE provides to its customers within the same wire center. At such time as Permanent Number Portability becomes available in any of the exchange areas being served by the Parties, the Parties will work cooperatively to migrate from SPNP to Permanent Number Portability arrangements with the minimum of any interruption of service to end users. The path quantities available for Remote Call Forwarding will be an amount reasonably necessary to meet demand.
- If USX has ordered INP via RCF of at least twenty (20) loops for a single end user at the same service location, GTE will coordinate the implementation of INP with the loop conversion. The Parties will consider this a project. The project will be assigned a number and an agreed upon due date will be established by the Parties. The due date will be more than five (5) working days from the receipt of an acceptable/valid LSR. The LSR must specify USX's request for coordination. Supporting documentation can also be found in the Guide.
- If USX has ordered INP via RCF with the installation of fewer than twenty (20) loops, GTE recognizes the need to coordinate INP provisioning and loop provisioning to USX's customers.

Language addressing coordinated conversions is found in Appendix G, Section 1.2.11.

8 Meet-Point Billing.

8.1 Meet-Point Billing Arrangements.

- 8.1.1 USX may establish Meet-Point Billing ("MPB") arrangements with GTE in order to provide Switched Access Services to third parties (or the USX if acting as an IXC) via a GTE access tandem in accordance with the MPB guidelines adopted by and contained in the Ordering and Billing Forum's MECAB and MECOD documents, except as modified herein.
- 8.1.2 Except in instances of capacity limitations, GTE shall permit and enable USX to sub-tend the GTE access tandem(s) nearest to the USX Rating Point(s) associated with the NPA-NXX(s) to/from which the Switched Access Services are homed. In instances of capacity limitation at a given access tandem, USX shall be allowed to subtend the next-nearest GTE access tandem in which sufficient capacity is available.
- 8.1.3 Interconnection for the MPB arrangement shall occur at the POI.
- 8.1.4 Common Channel Signaling rather than in-band signaling shall be utilized in conjunction with MPB interconnection arrangements to the extent such signaling is resident in the GTE access tandem switch and the USX end office switch.
- 8.1.5 USX and GTE will use diligent efforts, individually and collectively, to maintain provisions in their respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association ("NECA") Tariff No. 4, or any successor tariff, sufficient to reflect this MPB arrangement, including MPB percentages.
- 8.1.6 As detailed in the MECAB document, USX and GTE will, in a timely fashion, exchange all information necessary to accurately, reliably and promptly bill third parties for Switched Access Services traffic jointly handled by USX and GTE via the meet-point arrangement. Information shall be exchanged in Electronic Message Record ("EMR") format, on magnetic tape or via a mutually acceptable electronic file transfer protocol.
- 8.1.7 USX and GTE shall work cooperatively to coordinate rendering of Meet-Point bills to customers, and shall reciprocally provide each other usage data and related information at no charge.

8.2 Billing.

- 8.2.1 Initially, billing to third parties for the Switched Access Services jointly provided by USX and GTE via the MPB arrangement as defined in 8.1.1 shall be according to the multiple-bill/multiple-tariff method (MB/MT method). The MB/MT method means that each company will render their bill at their own rates to the third party.
- 8.2.2 Subsequently, USX and GTE may mutually agree to implement one of the following options for billing to third parties for the Switched Access Services jointly provided by USX and GTE via the MPB arrangement: single-bill/single tariff method, single-bill/multiple tariff method, multiple-bill/single tariff method, or to continue the multiple-bill/multiple tariff method. Should USX prefer to change among these billing methods, USX shall notify GTE of such a request in writing, ninety (90) days in advance of the date on which such change is desired to be

implemented, such changes then may be made in accordance with MECAB guidelines, and if GTE agrees, the change will be made..

9 Common Channel Signaling.

- 9.1 Service Description. The Parties will provide Common Channel Signaling ("CCS") to one another via Signaling System 7 ("SS7") network interconnection, where and as available, in the manner specified in FCC Order 95-187, in conjunction with all traffic exchange trunk groups. The Parties will cooperate on the exchange of all appropriate SS7 messages for local and intraLATA call set-up signaling, including ISUP and Transaction Capabilities Application Part ("TCAP") messages to facilitate full interoperability of all CLASS Features and functions between their respective networks. Any other SS7 message services to be provided using TCAP messages (such as data base queries) will be jointly negotiated and agreed upon.
- 9.2 Signaling Parameters. All SS7 signaling parameters will be provided in conjunction with traffic exchange trunk groups, where and as available. These parameters include Automatic Number Identification ("ANI"), Calling Party Number ("CPN"), Privacy Indicator, calling party category information, originating line information, charge number, etc. Also included are all parameters relating to network signaling information, such as Carrier Information Parameter ("CIP"), wherever such information is needed for call routing or billing.
- 9.3 Privacy Indicators. Each Party will honor all privacy indicators as required under applicable law.
- 9.4 Connection Through STP. USX must interconnect (either directly or through a third party) with the GTE STP(s) serving the geographic area in which the traffic exchange trunk groups are interconnected.
- 9.5 Third Party Signaling Providers. USX may choose a third-party SS7 signaling provider to transport messages to and from the GTE SS7 network. In that event, that third-party provider must present a letter of agency to GTE, prior to the testing of the interconnection, authorizing the third party to act on behalf of USX in transporting SS7 messages to and from GTE. The third-party provider must interconnect with the GTE STP(s) serving the geographic area in which the traffic exchange trunk groups are interconnected.
- 9.6 Multi-Frequency Signaling. In the case where CCS is not available, in band Multi-Frequency ("MF"), wink start, E & M channel associated signaling with ANI will be provided by the Parties. Network signaling information, such as CIC/OZZ, will be provided wherever such information is needed for call routing or billing.

ARTICLE V
RESALE OF SERVICES

1 General. The purpose of this Article V is to define the Exchange Services and related Vertical Features and other Services (collectively referred to for purposes of this Article V as the "Services") that may be purchased from GTE and resold by USX and the terms and conditions applicable to such resold Services. Except as specifically provided otherwise in this Agreement, provisioning of Exchange Services for resale will be governed by the GTE Guide. GTE will make available to USX for resale any Telecommunications Service that GTE currently offers, or may offer hereafter, on a retail basis to subscribers that are not telecommunications carriers, except as qualified by Section 2.1 below.

2 Terms and Conditions.

2.1 Restrictions on Resale. The following restrictions shall apply to the resale of retail services by USX.

2.1.1 USX shall not resell to one class of customers a service that is offered by GTE only to another class of customers in accordance with state requirements (e.g., R-1 to B-1, disabled services or lifeline services to non-qualifying customers).

2.1.2 USX shall not resell lifeline services and services for the disabled.

2.1.3 USX shall not resell promotional offerings of 90 days or less in duration. These promotional offerings are not available to USX for resale. GTE will apply any applicable resale discount to the ordinary rate for a retail service rather than the special promotional rate.

2.2 Quality and Performance. The standards of the services that GTE provides to USX shall be equal in quality and performance standards to the same standards for those Services as such Services are provided by GTE to its own end user customers.

2.3 Interim Universal Service Support Charge for Resale Services. USX wishes to resell GTE's Basic Exchange Residential and Business services. It is GTE's position that GTE's current intraLATA toll rates include implicit subsidies that support below-cost prices for other services and thus promote universal service. This universal service support is lost where a CLEC resells GTE's local service but does not resell GTE's intraLATA toll service. For this reason, GTE will not resell Basic Exchange Residential or Business services unless USX pays the monthly interim universal service support charge set forth in Appendix E. GTE believes that this interim surcharge is required by state and federal law.

The lawfulness of GTE's interim surcharge is being addressed (or will be addressed) by the Commission or a court of competent jurisdiction. The parties agree that GTE will offer for resale Basic Exchange Residential and Business services at the avoided cost discount rate set forth in Appendix E without the interim surcharge, but subject to the following terms and conditions:

2.3.1 USX agrees that within thirty (30) days after the effective date of a Commission or court order affirming GTE's interim surcharge, USX will:

(i) begin paying the monthly interim surcharge in accord with Appendix E,

(ii) make a lump sum payment to GTE of the total interim surcharges retroactive to the effective date of this agreement, except that if the body that is reviewing the interim surcharges establishes a later date or makes no provision for retroactivity, then that body's determination as to retroactivity or decision not to provide for retroactivity shall apply, subject to all appeals. For purposes of the preceding

sentence, the Commission or court order affirming GTE's interim surcharge is one that derives from a generic proceeding and not one derived from a proceeding between GTE and a single CLEC other than USX.

2.3.2 Notwithstanding any provision in this Agreement, GTE may, at its sole discretion and at any time, seek injunctive or other relief (i) requiring the CLEC to pay GTE's interim surcharge or (ii) requiring the Commission to immediately impose the interim surcharge.

2.3.3 Nothing in this Agreement shall restrict or impair GTE from seeking injunctive relief or any other remedy at any time and in any court regarding GTE's interim surcharge or the Commission's rejection or modification of GTE's interim surcharge.

2.4 Restrictions on Discount of Retail Services. The discount specified in Section 5.3 herein shall apply to all retail services except for the following:

2.4.1 USX may resell services that are provided at a volume discount in accordance with terms and conditions of applicable tariff. USX shall not aggregate end user lines and/or traffic in order to qualify for volume discount.

2.4.2 USX may resell ICB/Contract services without a discount and only to end user customers that already have such services.

2.4.3 USX may resell COCOT coin or coinless line; however, no discount applies.

2.4.4 USX may resell special access; however, no discount applies.

2.4.5 USX may resell Operator Services and Directory Assistance as specified in Section 5.8 herein however no discount applies.

2.5 Resale to Other Carriers. Services available for resale may not be used by USX to provide access to the local network as an alternative to tariffed switched and special access by other carriers, including, but not limited to; interexchange carriers, wireless carriers, competitive access providers, or other retail telecommunications providers.

3 Ordering and Billing.

3.1 Local Service Request. Orders for resale of Services will be placed utilizing a standard Local Service Request ("LSR") form. A complete and accurate LSR (containing the requisite end user information as described in the Guide) must be provided by USX before a request can be processed.

3.2 Certificate of Operating Authority. When ordering, USX must represent and warrant to GTE that it is a certified provider of local dial-tone service. USX will provide a copy of its Certificate of Operating Authority or other evidence of its status to GTE upon request.

3.3 Letter of Authorization. GTE will accept a blanket Letter of Authorization ("LOA") from USX when resold Services will be provided in cases in which the subscriber currently receives Exchange Service from GTE or from a local service provider other than USX. Such blanket LOA guarantees that USX has a valid, actual signed LOA, or such other form as agreed upon between GTE and USX, in its files from the end-user.

3.4 Services Ordered. USX may specify the GTE Service ordered for each USX end user customer. GTE will transfer Services "as is". GTE will not release information to USX on GTE end user customer accounts unless USX first provides a written Letter of Authorization, signed by the end user customer, authorizing the release of such information to USX.

- 3.5 Nonrecurring Charges. USX shall be responsible for the payment of all nonrecurring charges (“NRCs”) applicable to resold Services. NRCs applicable to each of the Services available for resale are listed in Appendix E.
- 3.6 Transfers Between USX and Another Reseller of GTE Services. When USX has obtained an end user customer from another reseller of GTE services, USX will inform GTE of the transfer by submitting a standard LSR to GTE. Such LSR must contain the code of the displaced reseller, indicating that USX has advised the displaced reseller that the end user has chosen USX as their new local service provider.
- 3.7 Responsibility for Payment. All charges for Services provided for resale under this agreement will be billed to USX, including all applicable taxes and surcharges, as well as the End User Common Line (“EUCL”) Charge from GTOC Tariff FCC No. 1. USX is responsible for payment of charges billed, regardless of any billing arrangement or situation between USX and its end user customer.
- 3.8 Fraud. USX assumes responsibility for all fraud associated with its end user customers and accounts. Except as provided in Article III, Section 11, GTE takes no responsibility, will not investigate and will make no adjustments to USX’s account in cases of fraud.
- 3.9 Local Calling Detail. Except for those Services and in those areas where measured rate local service is available to end users, monthly billing to USX does not include local calling detail. However, USX may request and GTE shall consider to develop the capabilities to provide local calling detail for a mutually agreeable charge in those areas where measured local service is not available.
- 3.10 Customer Contact and Referral. USX will provide GTE with a number for referral of inquiries from USX end user customers. GTE will refer to USX all inquiries or other calls from USX’s end user customers. GTE will also provide USX with a number for referral of inquiries from GTE end user customers, to which USX will refer all inquiries or other calls from GTE’s end user customers.
- 3.11 Procedures. An overview of the procedures for preordering, ordering, provisioning and billing for resold services are outlined in Appendix G, attached hereto and made a part hereof.
- 4 Maintenance.
- 4.1 Maintenance, Testing and Repair. GTE will provide repair and maintenance services to USX and its end user customers for resold Services in accordance with the same standards used for such services provided to GTE end user customers. GTE will not initiate a maintenance call or take action in response to a trouble report until such time as trouble is reported to GTE by USX. USX must provide to GTE all end user information necessary for the installation, repair and servicing of any facilities used for resold Services according to the procedures described in the Guide.
- 4.2 Specifics and Procedures for Maintenance. An overview of the procedures for maintenance of resold services and additional matters agreed to by the Parties concerning maintenance are set forth in Appendix G.
- 5 Services Available for Resale.
- 5.1 Description of Local Exchange Services Available for Resale. Resold basic Exchange Service includes, but is not limited to, the following elements:
- (a) Voice Grade Local Exchange Access Line - includes a telephone number and dial tone.
 - (b) Local Calling - at local usage measured rates if applicable to the end user customer.
 - (c) Access to long distance carriers

- (d) E-911 Emergency Dialing
- (e) Access to Service Access Codes - e.g., 800, 888, 900
- (f) Use of AIN Services (those Currently Available to end users)
- (g) End User Private Line Services
- (h) Listing of telephone number in appropriate "white pages" directory; and
- (i) Copy of "White Pages" and "Yellow Pages" directories for the appropriate GTE service area
- (j) IntraLATA toll

5.2 Other Services Available for Resale. GTE will provide resold services at retail less the avoided cost discount as defined in Article V, Section 5.3 . Subject to the limitations enumerated in Article V of this Agreement, the type of resold services made available to USX are those telecommunication services described in GTE's retail tariffs, as amended from time to time. Any new retail services that GTE offers in such tariffs to customers who are not telecommunications carriers shall, except as otherwise provided herein, also be available to USX for resale under the same terms and conditions contained in this Agreement.

5.2.1 Promotional Services. GTE shall make available for resale, those promotional offerings that are greater than 90 days in duration and the special promotional rate will be subject to the applicable resale discount.

5.3 Rates. The prices charged to USX for Local Services shall be calculated as follows:

5.3.1 Avoided Cost Discount as shown in Appendix E shall apply to all retail services except those services listed in Section 2.1 and Section 2.4 herein.

5.3.2 The discount dollar amount calculated under Section 5.3.1 above will be deducted from the retail rate.

5.3.3 The resulting rate is the resale rate.

5.3.4 This discount dollar amount in Section 5.3.2 above shall not change during the Term of this Agreement, even though GTE may change its retail rates.

5.4 Non-Recurring Charges. Charges associated with the installation of new services or features or changes to existing services or features are identified in Appendix E. No discount applies to non-recurring charges.

5.5 Grandfathered Services. Services identified in GTE Tariffs as grandfathered in any manner are available for resale only to end user customers that already have such grandfathered service. An existing end user customer may not move a grandfathered service to a new service location.

5.6 ICB Services. Services provided by GTE to its end users established as an ICB (Individual Case Basis) service are available for resale..

5.7 Access. GTE retains all revenue due from other carriers for access to GTE facilities, including both switched and special access charges.

5.8 Operator Services (OS) and Directory Assistance (DA). GTE will provide access to GTE Operator Services for local and toll assistance (for example: call completion, busy line verification, and

emergency interruption) and Directory Assistance (e.g., 411 calls routed to GTE's DA operator centers) as an item of Exchange Services offered for resale. This service is only provided in conjunction with the resale of GTE's Exchange Services. The rates for OS and DA are specified in Appendix E. GTE will provide its existing OS and DA to USX at the same quality and in a nondiscriminatory manner as the service provided to GTE's end users.

- 5.8.1 Upon written request, GTE will offer OS and DA, insofar as it is provided through GTE's operators, that is either unbranded or rebranded with USX's brand where GTE uses live operators. Unbranding or rebranding will be provided on a switch by switch basis subject to technical and capacity limitations. Customized routing, as described in Article VI, section 12 is required for each switch where unbranding or rebranding is offered. Unbranding or rebranding for calls handled by automated systems will not be offered until these systems have this capability.
- 5.8.2 Rates and prices for unbranding and rebranding are not included as part of this agreement. Such rates, and the price of providing the customized routing, will be negotiated at the time USX makes a written request for unbranding or rebranding. The Parties agree that USX retains its rights under the Act to pursue mediation or arbitration on the issue of price under this section 5.8.2 if the Parties cannot reach agreement.
- 5.8.3 For those switches where unbranding or rebranding is implemented, USX agrees to continue using GTE OS and DA for the duration of this contract.

- 6 Customized Routing. Upon written request, where technically feasible, and subject to the following conditions, GTE will provide customized routing for the following types of calls:

- 0-
- 0+Local
- 0+411
- 1+411
- 0+HNPA-555-1212 intraLATA (provided only when intraLATA presubscription is not available)
- 1+HNPA-555-1212 intraLATA (provided only when intraLATA presubscription is not available)

- 6.1 Upon request, GTE will provide a list of switches that can provide customized routing using line class codes or a similar method (regardless of current capacity limitation). From that list USX will provide a list of switches in priority order where customized routing is desired for all USX customers served out of that switch. GTE will then provide a schedule for providing customized routing in the switches with existing capabilities and capacity.
- 6.2 Rates and prices for customized routing are not included as part of this agreement. Such rates and prices will be negotiated at the time USX makes a written request for customized routing. The Parties agree that USX retains its rights under the Act to pursue mediation or arbitration on the issue of rates and price under this section 6.2 if the Parties cannot reach agreement.
- 6.3 Subject to the above provisions, GTE will choose the method of implementing customized routing.
- 6.4 The use of customized routing will require the purchase of a trunk side port and dedicated facilities between the GTE end office and the designated OS/DA platform. The rates for these items are specified in Appendix F.
- 6.5 USX, if it selects customized routing, shall use such customized routing for all (and not less than all) resold services and unbundled line side ports that USX purchases from the selected GTE switch.

ARTICLE VI
UNBUNDLED NETWORK ELEMENTS

1. General. The purpose of this Article VI is to define the unbundled network elements that may be leased by USX from GTE. Unless otherwise specified in this Agreement, provisioning of unbundled network arrangements will be governed with the GTE Customer Guide for CLEC Establishment of Services - Resale and Unbundling (the "Guide"). Additional procedures for preordering, ordering, provisioning and billing of unbundled network elements are outlined in Appendix G.
2. Unbundled Network Elements.
 - 2.1 Categories. There are several separate categories of Network Components that shall be provided as unbundled network elements by GTE:
 - (a) Network Interface Device or NID
 - (b) Loop Elements
 - (c) Port and Local Switching Elements
 - (d) Transport Elements
 - (e) Signaling Elements
 - (f) Data Switching
 - (g) Digital Cross Connect System (DCS)
 - 2.2 Prices. Individual unbundled network elements and prices are identified on Appendix F attached to this Agreement and made a part hereof, or under the appropriate GTE tariff as referenced in this Article. Nonrecurring charges relating to unbundled elements are also listed on Appendix F.
 - 2.2.1 Reciprocal Compensation Arrangements for Call Termination. Reciprocal compensation arrangements for call termination shall be as provided in Appendix K attached hereto.
 - 2.3 Interconnection to Unbundled Elements. USX may lease and interconnect to whichever of these unbundled network elements USX chooses, and subject to technical feasibility, USX itself may combine these unbundled network elements with one another, or with any facilities or services that USX may itself provide subject to the following:
 - 2.3.1 Interconnection shall be achieved via expanded interconnection/collocation arrangements USX shall maintain at the wire center at which the unbundled services are resident.
 - 2.3.2 USX may order transport pursuant to Section 6 below from the wire center at which the unbundled elements (e.g., loop, port) are located to the GTE wire center where USX has established an interconnection/collocation arrangement.
 - 2.3.3 Each loop or port element shall be delivered to USX collocation arrangement over a loop/port connector applicable to the unbundled services as listed on Appendix F.
 - 2.3.4 USX shall perform for itself the combining of unbundled network elements with one another, or with its own facilities, whether its right to use those facilities is through ownership, lease, or other legal means. GTE has no obligation to combine any network elements for USX. USX may not use unbundled network elements to provide solely interexchange service or solely access service to an interexchange carrier for any particular customer or for all customers.

- 2.4 Service Quality. To the degree possible, all service attributes, grades-of-service and installation, maintenance and repair intervals which apply to the bundled service will apply to unbundled network elements. Notwithstanding the foregoing, GTE shall not be responsible for impacts on service attributes, grades of service, etc., resulting from USX's specific use of or modification to any unbundled network element.
3. Network Interface Device.
- 3.1 Direct Connection. USX shall be permitted to connect its own Loop directly to GTE's Network Interface Device or NID in cases in which USX uses its own facilities to provide local service to an end user formerly served by GTE, as long as such direct connection does not adversely affect GTE's network. In order to minimize any such adverse effects, USX shall follow the procedures in Sections 3.1.1 and 3.1.2 below.
- 3.1.1 When connecting its own loop facility directly to GTE's NID for a residence or business customer, USX must make a clean cut on the GTE drop wire at the NID so that no bare wire is exposed. USX shall not remove or disconnect GTE's drop wire from the NID or take any other action that might cause GTE's drop wire to be left lying on the ground.
- 3.1.2 At multi-tenant customer locations, USX must remove the jumper wire from the distribution block (i.e. the NID) to the GTE cable termination block. If USX cannot gain access to the cable termination block, USX must make a clean cut at the closest point to the cable termination block. At USX's request and discretion, GTE will determine the cable pair to be removed at the NID in multi-tenant locations. USX will compensate GTE for the trip charge necessary to identify the cable pair to be removed.
- 3.1.3 GTE agrees to offer NIDs for lease to USX but not for sale. USX may remove GTE identification from any NID which it connects to a USX loop, but USX may not place its own identification on such NID.
- 3.2 NID to NID Connection. Rather than connecting its loop directly to GTE's NID, USX may also elect to install its own NID and effect a NID to NID connection to gain access to the end user's inside wiring.
- 3.3 Removal of Cable Pairs. Removal of existing cable pairs required for USX to terminate service is the responsibility of USX.
- 3.4 Maintenance. When USX provides its own loop and connects directly to GTE's NID, GTE does not have the capability to perform remote maintenance. USX can perform routine maintenance via its loop and inform GTE once the trouble has been isolated to the NID and GTE will repair (or replace) the NID, or, at USX's option, it can make a NID to NID connection, using the GTE NID only to gain access to the inside wire at the customer location.
4. Loop Elements.
- 4.1 Service Description. A "Loop" is an unbundled component of Exchange Service. In general, it is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame ("MDF") or functionally comparable piece of equipment in a GTE end office or wire center to a demarcation or connector block in/at a subscriber's premises. Traditionally, Loops were provisioned as 2-wire or 4-wire copper pairs running from the end office MDF to the customer premises. However, a loop may be provided via other media, including radio frequencies, as a channel on a high capacity feeder/distribution facility which may, in turn, be distributed from a node location to the subscriber premises via a copper or coaxial drop facility, etc.
- 4.2 Categories of Loops. There are three general categories of loops:

- 4.2.1 "2-wire analog voice grade" loops will support analog transmission of 300-3000 Hz, repeat loop start or ground start seizure and disconnect in one direction (toward the end office switch), and repeat ringing in the other direction (toward the end user). This loop is commonly used for local dial tone service;
- 4.2.2 "4-wire analog voice grade" loops conform to the characteristics of a 2-wire voice grade loop and, in addition, can support the simultaneous independent transmission of information in both directions;
- 4.2.3 "DS-3" loops will support the transmission of isochronous bipolar serial data at a rate of 44.736 Mbps. This DS-3 type of loop provides the equivalent of 28 DS-1 channels and shall include the electronics at either end.
- 4.3 Loops for Digital Services. USX may also lease 2-wire or 4-wire Loops that have been conditioned to transmit the digital signals needed to provide services such as ISDN, ADSL, HDSL and DS-1 level signals, subject to the limitations indicated in Sections 4.6 and 4.7. The price for such conditioned Loops shall be the price for the basic 2-wire or 4-wire loop, as applicable, that is listed in Appendix E, plus the applicable charge for the special conditioning as provided for in the appropriate GTE intrastate special access tariff. Prices for DS-3 grade Loops are the prices set forth in the appropriate GTE intrastate special access tariff.
- 4.4 Features, Functions, Attributes. To the degree possible, all transport-based features, functions, service attributes, grades-of-service, installation, maintenance and repair intervals that apply to the bundled services will apply to unbundled loops.
 - 4.4.1 GTE will not perform routine testing of the unbundled loop for maintenance purposes. USX will be required to provision a loop testing device either in its central office (switch location), Network Control Center or in its collocation arrangement to test the unbundled loop. GTE will perform repair and maintenance once trouble is identified by USX.
 - 4.4.2 All Loop facilities furnished by GTE on the premises of USX's end users and up to the network interface or functional equivalent are the property of GTE. GTE must have access to all such facilities for network management purposes. GTE employees and agents may enter said premises at any reasonable hour to test and inspect such facilities in connection with such purposes or, upon termination or cancellation of the Loop facility, to remove such facility.
 - 4.4.3 GTE will provide loop transmission characteristics to USX end users which are equal to those provided to GTE end users.
 - 4.4.4 If USX leases loops which are conditioned to transmit digital signals, as a part of that conditioning, GTE will test the loop and provide recorded test results to USX. In maintenance and repair cases, if loop tests are taken, GTE will provide any recorded readings to USX at time the trouble ticket is closed in the same manner as GTE provides to itself and its end users.
- 4.5 Digital Loop Carrier. Where GTE utilizes integrated digital loop carrier ("IDLC")¹ technology to provision the Loop element, GTE will take the necessary affirmative steps to provide unbundled Loops. The basic Loop provided will support voice grade services. Loop capabilities beyond voice grade (i.e., ISDN, ADSL, etc.) will be provided under the terms and conditions, and at the prices indicated in Section 4.3.

¹ See Bellcore TR-TSY-000008, Digital Interface Between the SLC-96 Digital Loop Carrier System and Local Digital Switch and TR-TSY-000303, Integrated Digital Loop Carrier (IDLC) Requirements, Objectives and Interface.

- 4.5.1 GTE will permit USX to collocate digital loop carriers and associated equipment in conjunction with collocation arrangements USX maintains at a GTE wire center for the purpose of interconnecting to unbundled Loop elements.

4.6 Unbundled Loop Facility Certification.

- 4.6.1 Before deploying any service enhancing copper cable technology (e.g., HDSL, ISDN, etc.) over unbundled 2-wire analog voice grade loops leased from GTE, USX shall notify GTE of such intentions to enable GTE to assess the loop transport facilities to determine whether there are any existing copper cable loop transport technologies (e.g., analog carrier, etc.) deployed within the same cable sheath that would be interfered with if USX deployed the proposed service enhancing copper cable technology. If there are existing copper cable loop transport technologies already deployed within the same cable sheath, or if GTE already has existing near term (within 18 months of the date of facility certification) plans to deploy copper cable loop transport technologies that would be interfered with as described above, for which GTE can demonstrate a specific commitment by producing engineering plans. GTE will so inform USX and USX shall not be permitted to deploy such service enhancing copper cable technologies. GTE will charge USX the applicable engineering time and labor costs to perform the certification.
- 4.6.2 If USX fails to notify GTE of its plans to deploy service enhancing copper cable technology and obtain prior certification from GTE of the facilities, if USX's deployment of such technology is determined to have caused interference with existing or planned copper cable loop transport technologies deployed by GTE in the same cable sheath, USX will immediately remove such service enhancing copper cable technology and shall reimburse GTE for all incurred expense related to this interference.

4.7 Unbundled Loop Facility Notification.

- 4.7.1 GTE reserves the right to deploy within its network at its sole discretion any and all copper cable loop transport technologies. If GTE plans to deploy copper cable loop transport technology within a cable sheath in which such technology was not previously deployed, GTE will provide notice to USX of such planned deployment, indicating all service enhancing copper cable technologies that would cause interference with the technology to be deployed, or that would be interfered with by the deployment of such technology. Such notice will be provided at least ninety (90) Business Days in advance of the planned deployment. If USX has deployed any technologies within the same cable sheath that would interfere with, or be interfered with, by the technology GTE plans to deploy, the parties will work together to resolve the situation.
- 4.7.2 If USX fails to comply with GTE's notification pursuant to section 4.7.1 and remove the interfering technology when required under section 4.7.1, and the other Party's deployment of such technology is determined to have actually caused interference with the copper cable loop transport technologies deployed by GTE in the same cable sheath, a second notification will be sent to USX. If USX fails to comply with such second notification by immediately removing such service enhancing copper cable technology, GTE will take the necessary action to isolate the interfering technology from its network. In that event, USX shall reimburse GTE for all incurred expense related to these activities.
- 4.7.3 Prior to GTE deploying service enhancing copper cable technology, as described above, GTE will validate, through a search of its facility assignment records, that USX has not deployed technologies within the same cable sheath that would be interfered with by those planned by GTE. Should such incompatibility exist, GTE will not deploy such technology that would interfere with those already deployed by USX.

Should GTE deploy service enhancing copper cable technology that is determined to interfere with technology previously deployed by USX and USX can demonstrate that it had

complied with GTE's Unbundled Loop Facility Certification procedure, GTE will remove the interfering technology from the cable sheath and reimburse USX for all incurred expenses related to this interference or will not install the interfering technology.

4.8 Subloops.

- 4.8.1 GTE will provide as separate items the loop distribution, loop concentrator and loop feeder on a case-by-case basis pursuant to a Bona Fide Request ("BFR"), when technically feasible and when USX pays the cost of such separate provision.
- 4.8.2 GTE will design and construct loop access facilities (including loop feeders and loop concentration/multiplexing systems) in accordance with standard industry practices as reflected in applicable tariffs and/or as agreed to by GTE and USX.
- 4.8.3 Transport for loop concentrators/multiplexers services not supported by embedded technologies will be provided pursuant to applicable tariffs or as individually agreed upon by GTE and USX. The Parties understand that embedded loop concentrators/multiplexers are not necessarily capable of providing advanced and/or digital services.
- 4.8.4 GTE will provide loop transmission characteristics as specified in Section 4.4.3 herein.

5. Port and Local Switching Elements.

- 5.1 Port. Port is an unbundled component of Exchange Service that provides for the interconnection of individual loops or trunks to the switching components of GTE's network. In general, it is a line card or trunk card and associated peripheral equipment on GTE end office switch that serves as the hardware termination for the end user's Exchange Service on that switch and generates dial tone and provides the end user access to the public switched telecommunications network. The port does not include such features and functions which are provided as part of local switching. Each line-side port is typically associated with one (or more) telephone number(s), which serve as the end user's network address.
- 5.2 Ports Available as Unbundled Network Elements. There are four types of Ports available as unbundled network elements;
 - 5.2.1 "2-wire analog line" Port is a line side switch connection employed to provide basic residential and business type Exchange Service.
 - 5.2.2 "2-wire ISDN digital line" Port is a Basic Rate Interface (BRI) line side switch connection employed to provide ISDN Exchange Services.
 - 5.2.3 "DS-1 digital trunk" Port is a direct inward dialing (DID) trunk side switch connection employed to provide the equivalent of 24 analog incoming trunk type Exchange Services.
 - 5.2.4 "4-wire ISDN digital DS-1 trunk" Port is a Primary Rate Interface (PRI) trunk side switch connection employed to provide the ISDN Exchange Services
- 5.3 Port Prices. Prices for 2-wire analog and DS-1 Ports are listed in Appendix E. 2-wire ISDN line side Ports and 4-wire ISDN trunk side Ports shall be provided at a price agreed to by the Parties.
- 5.4 Future Interfaces. GTE will make available as unbundled network elements any interfaces that are deployed within its switches and which it provides to its own end user customers. GTE will interface with USX using standard industry interfaces and support future interfaces that are deployed within the GTE switch.

- 5.5 Local Switching. Local switching provides the basic switching functions to originate, route and terminate traffic and any signaling deployed in the switch. GTE will not offer individual core switch functions and features on an a la carte basis. Vertical features and CLASS services are not part of Local Switching. GTE will only provide switch features and functions of which the particular switch is capable and inherent to the particular switching platform used (e.g., DMS, 5ESS, GTD5).
- 5.6 USX must purchase Local Switching with the line-side Port or trunk-side Port, if applicable.
- 5.7 USX shall only order unbundled elements in accordance with Section 2.3 herein and it will be the responsibility of USX to make arrangements for the delivery of interexchange traffic and routing of traffic over interoffice transmission facilities, if applicable.
- 5.8 GTE will provide tandem switching capability at GTE access tandems for traffic between USX and GTE end offices subtending the GTE access tandem and for traffic between USX and non-GTE end offices subtending GTE access tandems. GTE will provide the features and functions that are centralized in tandem switches including but not limited to call recording, the routing of calls to operator services when technically feasible, and signaling conversion features.
6. Transport Facility.
- 6.1 Service Description. Transport is an unbundled component of Exchange Service. In general, it is the transmission facility (or channel or group of channels on such facility) which extends from a Main Distribution Frame (MDF) or functionally comparable piece of equipment in a GTE end office or access tandem to either (i) another MDF or functionally comparable piece of equipment in a GTE end office or access tandem, or (ii) a meet point with transport facilities of USX or another carrier. Transport may be provided over a variety of media, including, but not limited to, copper cables, radio frequencies or channels on a high capacity facility.
- 6.2 Categories/Types. Unbundled transport is provided under rates, terms and conditions of the applicable GTE access tariff or local private line tariff.
7. SS7 Transport and Signaling. SS7 signaling and transport services in support of USX's local exchange services shall be provided in accordance with the terms and conditions of Appendix G attached to this Agreement and made a part hereof.
- 7.1 GTE will provide interconnection with its SS7 at the STPs but not at other points.
8. LIDB Services. Access to GTE's LIDB shall be provided in accordance with the rates, terms and conditions of GTE's switched access tariff, GTOC Tariff FCC No. 1, Section 8.
9. Database 800-Type Services. Access to GTE's 800-Type database (i.e., 888, 877) shall be provided in accordance with the rates, terms and conditions of GTE's switched access tariff, GTOC Tariff FCC No. 1, Section 8.
10. Data Switching.
- 10.1 Access. GTE will provide unbundled access to GTE data switches to USX at the user network interface ("UNI") and network to network interface ("NNI") level subject to mutual agreement on technical standards.
- 10.2 Nondiscrimination. Data switching features and functionalities provided to USX will be without discrimination with respect to the way GTE provides them to GTE end users. In the event of overflow or congestion conditions on the data switching network, USX's data traffic carried on GTE facilities will be equal priority to GTE data traffic.
- 10.3 Interface. To the extent a standard interface is available in a GTE switch, it will be made available to USX.

- 10.4 Testing, Monitoring, Administration and Maintenance. Testing, monitoring, administration and maintenance will be performed by GTE in a nondiscriminatory manner.
11. Digital Cross Connect System (DCS).
- 11.1 Access. GTE will provide unbundled access to the DCS element, which shall provide automated cross-connection (with CNC), facility grooming, bridging (MJU-digital), point to multipoint connections (DMB-analog), broadcast and automated facility test capabilities. These functionalities will be provided consistent with that which is provided to GTE end users. USX shall submit a Bona Fide Request to GTE specifying these functionalities.
- 11.2 Optional Characteristics. The DCS element may include multiplexing, format conversion, signaling conversion and manual cross connection wiring.
- 11.3 Alternate Provisioning. Where no automated DCS capability exists, the cross connection function will be provided manually by GTE through the combination of DSX patch panels and D4 banks or DS0 (or higher capacity) equipment.
- 11.4 Elements. USX will have access to the following DCS elements:
- (a) DS0 with DS1 interface (CNC)
 - (b) DS1/VT1.5 with DS1, DS3 and SONET interfaces (CNC and Titan 5500)
- 11.5 Capabilities. The DCS elements will provide the following capabilities:
- (a) Real-time configuration (with CNC)
 - (b) Real-time access to integrated test equipment (with React and Customer Service)
 - (c) SONET asynchronous gateway functionality (with Titan 5500 only)
 - (d) Compliance with Bellcore and industry standards.
- 11.6 Protection and Performance. The unbundled DCS elements provided to USX will have equipment/interface protection, redundant power supply and/or battery backup and performance/availability consistent with that provided to GTE end users.
- 11.7 Provisioning, Administration and Maintenance. GTE will provide provisioning, administration and maintenance of the DCS elements at parity with GTE as well as real time access to performance monitoring and alarm data affecting USX traffic (with CNC). GTE is not required to keep software updated to the "current available release" in every instance.
12. Operator Services (OS) and Directory Assistance (DA). GTE will provide OS and DA to USX in accordance with the terms set forth as follows:
- 12.1 Where Customized Routing is available and USX so requests, GTE will offer unbranded OS and DA or rebranded OS and DA with the USX brand. GTE will provide such unbranding or rebranding on a switch-by-switch basis, subject to capability and capacity limitations. Upon receipt of an order for unbranding or rebranding, GTE will implement within 90 Business Days when technically capable.
 - 12.2 USX will be billed an element charge for OS and DA and a charge for unbranding or rebranding and Customized Routing as set forth in 12.4.2.
 - 12.3 For those offices that USX has requested GTE to rebrand and/or unbrand OS and DA, USX shall continue exclusively to use GTE rebranded and/or unbranded OS and DA for

the duration of the Agreement. Live operators handling OS and DA calls from USX local service customers will identify themselves as USX operators; where such rebranding is not technically feasible, live operator response will be provided on an unbranded basis. USX agrees to withdraw its request for branding of OS and DA for calls that are handled by automated systems until these systems are capable of rebranding.

- 12.4 Customized Routing. Where technically feasible and upon receipt of written request from USX, GTE agrees to provide customized routing for the following types of calls:

0-
0+Local
0+411
1+411
0+HNPA-555-1212 (intraLATA, only when intraLATA presubscription is not available)
1+HNPA-555-1212 (intraLATA, only when intraLATA presubscription is not available)

- 12.4.1 GTE will provide USX a list of switches that can provide customized routing using line class codes or similar method (regardless of current capacity limitations). USX will return a list of these switches ranked in priority order. GTE will return to USX a schedule for customized routing in the switches with existing capabilities and capacity.
- 12.4.2 Upon written request from USX, GTE will provide USX with applicable charges, and terms and conditions, for providing OS and DA, branding, and Customized Routing.
- 12.4.3 Subject to the above provisions, GTE will choose the method of implementing customized routing of OS and DA calls.
- 12.4.4 The use of customized routing will require the purchase of a trunk side port and dedicated facilities between the GTE end office and the designated OS/DA platform. The rates for these elements will be billed in accordance with Appendix F.
13. Advanced Intelligent Network Access (AIN). GTE will provide USX access to GTE AIN functionality from GTE's AIN SCP via GTE's local switch or USX's local switch.
14. Nondiscrimination Provision and Support. GTE agrees to provide unbundled network elements in a timely manner considering the need and volume of requests. GTE will provide unbundled network elements in a non-discriminatory manner and shall provide power to such elements on the same basis as GTE provides to itself.
15. Advance Notification of Network and Technology Changes. GTE will establish quarterly reviews of network and technology plans and will notify USX six (6) months in advance of changes that would impact USX's provision of services.
16. Provisioning Intervals. GTE agrees to provide unbundled network elements in a timely manner considering the need and volume of requests, pursuant to agreed upon service provisioning intervals.

ARTICLE VII
ADDITIONAL SERVICES AND COORDINATED SERVICE ARRANGEMENTS

1. Bona Fide Request Process.
 - 1.1 Intent. The Bona Fide Request process is intended to be used when USX requests customized Service Orders for certain services, features, capabilities or functionality defined and agreed upon by the Parties as services to be ordered as Bona Fide Requests.
 - 1.2 Process.
 - 1.2.1 A Bona Fide Request shall be submitted in writing by USX and shall specifically identify the need to include technical requirements, space requirements and/or other such specifications that clearly define the request such that GTE has sufficient information to analyze and prepare a response.
 - 1.2.2 Although not expected to do so, USX may cancel a Bona Fide Request in writing at any time prior to USX and GTE agreeing to price and availability. GTE will then cease analysis of the request.
 - 1.2.3 Within two (2) Business Days of its receipt, GTE shall acknowledge in writing the receipt of the Bona Fide Request and identify a single point of contact and any additional information needed to process the request.
 - 1.2.4 Except under extraordinary circumstances, within ten (10) Business Days of its receipt of a Bona Fide Request, GTE shall provide a proposed price and availability date, or it will provide a detailed explanation as to why GTE is not able to meet USX's request. If extraordinary circumstances prevail, GTE will inform USX as soon as it realizes that it cannot meet the ten (10) Business Day response due date. USX and GTE will then determine a mutually agreeable date for receipt of the request.
 - 1.2.5 Unless USX agrees otherwise, all proposed prices shall be consistent with the pricing principles of the Act, FCC and/or the Commission. Payments for services purchased under a Bona Fide Request will be made upon delivery, unless otherwise agreed to by USX, in accordance with the applicable provisions of the Agreement.
 - 1.2.6 Upon affirmative response from GTE, USX will submit in writing its acceptance or rejection of GTE's proposal. If at any time an agreement cannot be reached as to the terms and conditions or price of the request, the Dispute resolution procedures described above in this Article may be used by a Party to reach a resolution.
 - 1.2.7 If GTE responds that it cannot or will not offer the requested item in the Bona Fide Request and USX deems the item essential to its business operations, and deems GTE's position to be inconsistent with the Act, FCC or Commission regulations and/or the requirements of this Agreement, the Dispute resolution procedures described above in this Article may be used by a Party to reach a resolution.
2. Transfer of Service Announcements. When an end user customer transfers service from GTE to USX, or from USX to GTE, and does not retain its original telephone number, the Party formerly providing service to the end user will provide, upon request and if such service is provided to its own customers, a referral announcement on the original telephone number. This announcement will provide the new number of the customer, and will be available for the same period of time as the Party provides such referral announcements for its own end user customers.

3. Coordinated Repair Calls. The Parties will employ the following procedures for handling misdirected repair calls:
 - 3.1 The Parties will educate their respective customers as to the correct telephone numbers to call to access their respective repair or customer care centers.
 - 3.2 To the extent that the correct provider of service to the customer is identifiable, the Parties will refer customers that make misdirected repair calls to the other Party to the telephone number provided by the provider of service to that customer. Such referrals will be made in a courteous manner and at no charge to the other Party. Communications with end users of the other Party during such misdirected calls other than referral to the correct number are prohibited.
 - 3.3 The Parties will provide their respective repair/customer care contact numbers to one another on a reciprocal basis.
 - 3.4 In responding to misdirected calls, neither Party shall make disparaging remarks about each other, nor shall they use these calls as a basis for internal referrals or to solicit end users or to market services.
4. 911/E911 Arrangements.
 - 4.1 Description of Service. Where USX does not provide its own connections to a PSAP, USX will install a minimum of two dedicated trunks to GTE's 911/E911 selective routers (i.e., 911 tandem offices) that serve the areas in which USX provides Exchange Services, for the provision of 911/E911 services and for access to all subtending PSAPs. The dedicated trunks shall be, at minimum, DSO level trunks configured as a 2-wire analog interface or as part of a digital (1.544 Mbps) interface. Either configuration shall use CAMA type signaling with multifrequency (MF) tones that will deliver ANI with the voice portion of the call. GTE will provide USX with the appropriate CLLI codes and specifications of the tandem office serving area and the 10-digit POTS number of each PSAP.
 - 4.2 Transport. If USX desires to obtain transport from GTE to the GTE 911 selective routers, USX may purchase such transport from GTE at the rates set forth in GTE's intrastate switched access tariff or in GTE's intrastate special access tariff.
 - 4.3 Cooperation and Level of Performance. The Parties will work together to facilitate the prompt, reliable and efficient interconnection of USX's systems to the 911/E911 platforms, with a level of performance that will provide the same grade of service as that which GTE provides to its own end users.
 - 4.4 Updates to MSAG. It shall be the responsibility of USX to ensure that the address of each of its end users is included in the Master Street Address Guide ("MSAG").
 - 4.5 Updates to Database. GTE and USX will work together to develop the process by which the 911/E911 database will be updated with USX's end user 911/E911 information.
 - 4.6 Compensation. In situations in which GTE is responsible for maintenance of the 911/E911 database and can be compensated for maintaining USX's information by the municipality, GTE will seek such compensation from the municipality. GTE will seek compensation from USX only if and to the extent that GTE is unable to obtain such compensation from the municipality. GTE shall charge USX a portion the cost of the shared 911/E911 port.
5. Information Services Traffic. At such time as either Party offers information services or offers direct access through its network for information services provided by third parties and the other Party desires to route traffic to the information services provider, the Parties agree to negotiate the terms and conditions for terminating traffic from the other Party's end users to the information services

provider. The terms and conditions will address, at a minimum, network routing, call recording, call rating, and billing and collection.

- 5.1 Blocking. Nothing in this Agreement shall restrict either Party from offering to its end user customers the ability to block the completion of information service traffic.
6. Directory Assistance (DA) and Operator Services (OS). Where USX is providing local service with its own switch, upon USX's request GTE will provide to USX rebranded or unbranded directory assistance services and/or operator services pursuant to separate contracts to be negotiated in good faith between the Parties. If USX so requests directory assistance services and/or operator services, such contracts shall provide for the following:
 - 6.1 Directory Assistance Calls. GTE directory assistance centers shall provide number and addresses to USX end users in the same manner that number and addresses are provided to GTE end users. If information is provided by an automated response unit ("ARU"), such information shall be repeated twice in the same manner in which it is provided to GTE end users. Where available, GTE will provide call completion to USX end users in the same manner that call completion is provided to GTE end users. GTE will provide its existing services to USX end users consistent with the service provided to GTE end users.
 - 6.2 Operator Services Calls. GTE operator services provided to USX end users shall be provided in the same manner GTE operator services are provided to GTE end users. In accordance with GTE practices and at GTE rates, GTE will offer to USX end users collect, person-to-person, station-to-station calling, third party billing, emergency call assistance, calling card services, credit for calls, time and charges, notification of the length of call, and real time rating. GTE operators shall also have the ability to quote USX rates upon request but only if there is appropriate cost recovery to GTE and to the extent it can be provided within the technical limitations of GTE's switches. GTE will provide its existing services to USX end users consistent with the service GTE provides to its own end users.
7. Directory Assistance Listing Information.
 - 7.1 GTE shall include in its directory assistance database directory assistance listing information (DA Listing Information) for all USX end users in the same geographic area as GTE provides directory assistance for GTE end users. DA Listing Information will consist of name, address, and indication of whether the end user is a residence or business customer. USX will provide DA Listing Information to GTE via the LSR process.
 - 7.2 At USX's request, for purposes of USX's providing directory assistance information to USX customers, GTE will provide all GTE published DA Listing Information in GTE's directory assistance database to USX at the rates specified in Appendix F. DA Listing Information will be provided either via magnetic tape or electronic file transfer using Network Data Mover (NDM). Changes to DA Listing Information will be provided on a daily basis through the same means. If USX requests the magnetic tape option, GTE will provide the information within 60 days of receipt of the order. If USX requests the electronic file transfer option, the Parties will work cooperatively to implement NDM capacity.
 - 7.3 The Parties will not release the other Party's DA Listing Information to third parties without the other Party's approval. Upon receipt of approval the releasing Party will provide the other Party's Listing Information at the same time as it provides its own to a third party. The releasing Party may charge the other Party for the direct cost of compiling such information. The other Party will be responsible for any compensation agreement with the third party.
 - 7.4 The Parties will work together to identify and develop procedures for database error correction.

8. Directory Listings and Directory Distribution. Subject to execution of a separate agreement between USX and GTE (the "Directories Agreement"), USX's end users' primary listings shall be included in the appropriate GTE white pages directory, as well as GTE's directory assistance database. USX's business end users' listings also will be included in all appropriate GTE "yellow pages" or classified directories and directories will be provided to USX's end users in accordance with the Directories Agreement. GTE will also list in the information pages of the appropriate white pages directories USX's critical customer contact numbers (e.g. business office, repair service, billing) in accordance with the terms and conditions in the Directories Agreement. Upon directory publication, GTE will arrange for the initial distribution of the directory to service subscribers in the directory coverage area at no charge.
9. SAG. GTE will provide to USX upon request the Street Address Guide at a reasonable charge. Two companion files will be provided with the SAG which lists all services and features at all LSOs, and lists services and features that are available in a specific LSO.
10. Dialing Format Changes. GTE will provide reasonable notification to USX of changes to local dialing format, *i.e.*, 7 to 10 digit, by end office.
11. Busy Line Verification and Interrupt. Each Party shall establish procedures whereby its operator assistance bureau will coordinate with the operator assistance bureau of the other Party to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. Each Party shall route BLV and BLVI inquiries over separate inward operator services trunks to the operator services switch. Each Party's operator assistance bureau will only verify and/or interrupt the call and will not complete the call of the end user initiating the BLV or BLVI. Each Party shall charge the other for the BLV and BLVI services at the rates contained in Appendix E, or if there is no applicable rate listed in Appendix E, at the rates in their respective tariffs.
12. USX shall pay GTE reasonable time-and-material-based charges (which time and material charges may include reasonable overhead and profit) related to modification of the system interfaces and other implementation of its requests, if technically feasible and agreed by the parties, for access to Operations Support Systems functions, as well as other types of implementation costs.

ARTICLE VIII
GENERAL RULES GOVERNING RESOLD SERVICES AND UNBUNDLED ELEMENTS

1. General. General regulations, terms and conditions governing rate applications, technical parameters, service availability, definitions and feature interactions, as described in the appropriate GTE intrastate local, toll and access tariffs, as referenced in the third column of Appendix E (the "GTE Retail Tariff"), apply to retail services made available by GTE to USX for resale and unbundled network elements provided by GTE to USX, when appropriate, unless otherwise specified in this Agreement. As applied to services or network elements offered under this Agreement, the term "Customer" contained in the GTE Retail Tariff shall be deemed to mean "USX" as defined in this Agreement.
2. Liability of GTE.
 - 2.1 Inapplicability of Tariff Liability. GTE's general liability, as described in the GTE Retail Tariff, does not extend to USX's customers or any other third party. Liability of GTE to USX resulting from any and all causes arising out of services, facilities, network elements or any other items relating to this Agreement shall be governed by the liability provisions contained in this Agreement and no other liability whatsoever shall attach to GTE. GTE shall be liable for the individual services, facilities or elements that it separately provides to USX and shall not be liable for the integration of components combined by USX.
 - 2.2 USX Tariffs or Contracts. USX shall, in its tariffs or other contracts for services provided to its end users using services, facilities or network elements obtained from GTE, provide that in no case shall GTE be liable to USX's end users or any third parties for any indirect, special or consequential damages, including, but not limited to, economic loss or lost business or profits, whether foreseeable or not, and regardless of notification by USX of the possibility of such damages and USX shall indemnify and hold GTE harmless from any and all claims, demands, causes of action and liabilities based on any reason whatsoever from its customers as provided in this Agreement. Nothing in this Agreement shall be deemed to create a third party beneficiary relationship with USX's end users.
 - 2.3 No Liability for Errors. GTE is not liable for mistakes that appear in GTE's listings, 911 and other information databases, or for incorrect referrals of end users to USX for any ongoing USX service, sales or repair inquiries, and with respect to such mistakes or incorrect referrals, USX shall indemnify and hold GTE harmless from any and all claims, demands, causes of action and liabilities whatsoever, including costs, expenses and reasonable attorney's fees incurred on account thereof, by third parties, including USX's end users or employees. For purposes of this Section 2.3, mistakes and incorrect referrals shall not include matters arising out of the willful misconduct of GTE or its employees or agents.
3. Unauthorized Changes.
 - 3.1 Procedures. If USX submits an order for resold services or unbundled elements under this Agreement in order to provide service to an end user that at the time the order is submitted is obtaining its local services from GTE or another LEC using GTE resold services or unbundled elements, and the end user notifies GTE that the end user did not authorize USX to provide local exchange services to the end user, USX must provide GTE with written documentation of authorization from that end user within three (3) business days of notification by GTE. If USX cannot provide written documentation of authorization within such time frame, USX must within three (3) business days thereafter:
 - (a) notify GTE to change the end user back to the LEC providing service to the end user before the change to USX was made; and
 - (b) provide any end user information and billing records USX has obtained relating to the end user to the LEC previously serving the end user; and

- (c) notify the end user and GTE that the change back to the previous LEC has been made; and
 - (d) pay GTE fifty dollars (\$50.00) per affected line to compensate GTE for switching the end user back to the original LEC.
- 3.2 Option to Restrict Changes Without Evidence of Authorization. USX's or GTE's end users may request GTE to permit changes of their provider of local exchange services only upon end user password-based notification to GTE that the end user wishes to change the end user's provider of local exchange services. In such a situation, GTE will not change an end user's provider of local exchange services without such password based notification.
4. Impact of Payment of Charges on Service. USX is solely responsible for the payment of all charges for all services, facilities and elements furnished under this Agreement, including, but not limited to, calls originated or accepted at its or its end users' service locations. If USX fails to pay when due any and all charges billed to USX under this Agreement, including any late payment charges (collectively, "Unpaid Charges"), and any or all such charges remain unpaid more than forty-five (45) days after the due date of such Unpaid Charges, GTE shall notify USX in writing that it must pay all Unpaid Charges to GTE within seven (7) business days. If USX disputes the billed charges, it shall, within said seven (7) day period, inform GTE in writing of which portion of the Unpaid Charges it disputes, including the specific details and reasons for the dispute, immediately pay to GTE all undisputed charges, and shall pay disputed charges into an interest bearing escrow account. If USX and GTE are unable, within thirty (30) days thereafter, to resolve issues related to the disputed charges, then either USX or GTE may file a complaint with the Commission to resolve those issues. The Commission may direct the release of any or all funds (including any accrued interest) in the escrow account, plus applicable late fees, to be paid to GTE and or USX. If USX fails to pay any undisputed Unpaid Charges, USX shall, at its sole expense, within five (5) business days notify its end users that their service may be disconnected for USX's failure to pay Unpaid Charges, and that its end users must select a new provider of local exchange services. If USX fails to provide such notification or any of USX's end users fail to select a new provider of services within the applicable time period, GTE may provide local exchange services to USX's end users under GTE's applicable end user tariff at the then current charges for the services being provided. In this circumstance, otherwise applicable service establishment charges will not apply to USX's end user, but will be assessed to USX. GTE may discontinue service to USX upon failure to pay undisputed charges as provided in this Section 4, and shall have no liability to USX or USX's end users in the event of such disconnection.
5. Unlawful Use of Service. Services, facilities or unbundled elements provided by GTE pursuant to this Agreement shall not be used by USX or its end users for any purpose in violation of law. USX, and not GTE, shall be responsible to ensure that USX and its end users use of services, facilities or unbundled elements provided hereunder comply at all times with all applicable laws. GTE may refuse to furnish service to USX or disconnect particular services, facilities or unbundled elements provided under this Agreement to USX or, as appropriate, USX's end user when (i) an order is issued by a court of competent jurisdiction finding that probable cause exists to believe that the use made or to be made of the service, facilities or unbundled elements is prohibited by law or (ii) GTE is notified in writing by a law enforcement agency acting within its jurisdiction that any facility furnished by GTE is being used or will be used for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of law. Termination of service shall take place after reasonable notice is provided to USX, or as ordered by the court. If facilities have been physically disconnected by law enforcement officials at the premises where located, and if there is not presented to GTE the written finding of a court, then upon request of USX and agreement to pay restoral of service charges and other applicable service charges, GTE shall promptly restore such service.
6. Timing of Messages. With respect to measured rate local service or other usage sensitive services provided under this Agreement, chargeable time begins when a connection is established between the calling station and the called station. Chargeable time ends when the calling station "hangs

up", thereby releasing the network connection. If the called station "hangs up" but the calling station does not, chargeable time ends when the network connection is released by automatic timing equipment in the network.

7. Procedures For Preordering, Ordering, Provisioning, Etc. Certain procedures for preordering, ordering, provisioning, maintenance and billing and electronic interfaces for many of these functions are described in Appendix G. All costs and expenses for any new or modified electronic interfaces USX requires that GTE determines are technically feasible and GTE agrees to develop will be paid by USX. The schedule for implementation of any new or modified electronic interfaces will be developed by GTE according to industry standards and will be based upon the amount of work needed to design, test and implement the new or modified interface.

ARTICLE IX
COLLOCATION

1. Physical Collocation. GTE shall provide to USX physical collocation of equipment necessary for interconnection or for access to unbundled network elements, provided that GTE may provide virtual collocation in place of physical collocation, or in some cases deny a particular collocation request entirely, if GTE demonstrates that physical collocation, or perhaps even virtual collocation, is not practical because of technical reasons or space limitations, as provided in Section 251(c)(6) of the Act. GTE will provide such collocation for purposes of interconnection or access to unbundled network elements pursuant to the terms and conditions in the applicable GTE federal and state EIS tariffs. Nothing in this Section 1 shall be construed to constitute acquiescence by USX in GTE's position that it may deny collocation altogether in appropriate circumstances.
2. Connection to Other Collocated Carriers. Subject to technical feasibility and space limitations, USX may interconnect with other carriers (as well as other USX collocation sites within the same central office) collocated at a GTE central office at which USX has collocated facilities; provided, however, that USX and such other carriers must be collocated at the GTE central office for the primary purpose of interconnecting with GTE or accessing GTE's unbundled network elements. If USX wants to interconnect with other carriers collocated at a GTE central office, USX must provide GTE with thirty Business Days' prior written notice, during which time GTE may elect to provide the facilities necessary to accomplish such interconnection. USX and the other collocated carriers may provide the necessary interconnection facilities only if GTE elects not to provide such facilities or fails to so elect within the thirty day notice period. If GTE elects to provide interconnection facilities under this section, GTE will provide this cross connection under the GTE federal tariff for Special Access Cross Connect, until such time as a local tariff applicable to the facilities used for such interconnection facilities is filed.

ARTICLE X
ACCESS TO POLES, DUCTS, CONDUITS AND RIGHTS-OF-WAY

To the extent lawfully required by the Act, GTE and USX shall each afford to the other access to the poles, ducts, conduits and rights of way it owns or controls on terms, conditions and prices comparable to those offered to any other entity pursuant to each Parties tariffs and/or standard agreements. Accordingly, GTE and USX are hereby entering the pole attachment and conduit occupancy agreements that are set forth in Appendices J and K below.

IN WITNESS WHEREOF, each Party has executed this Agreement to be effective as of the date first above written.

GTE SOUTH INCORPORATED
GTE NORTH INCORPORATED

US XCHANGE OF ILLINOIS, L.L.C.

By_____

By_____

Name_____

Name_____

Title_____

Title_____

Date_____

Date_____

APPENDIX A
SERVICE MATRIX
(Optional)

Service Location (identified by tandem serving area)	POI (Identified by CLLI code)	Services (identified by _____)
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APPENDIX B
INTERCONNECTION, TELECOMMUNICATIONS SERVICES
AND FACILITIES AGREEMENT

BETWEEN

GTE _____

AND _____

AMENDMENT NO. _____

THIS AMENDMENT (herein so called) is made effective as of _____, 199____, by and between GTE _____ Incorporated ("GTE") and _____ ("USX"). GTE and USX are sometimes referred to herein collectively as the "Parties" and individually as a "Party." Either GTE or USX may be referred to as "Provider" or "Customer" as the context requires.

WHEREAS, Provider is providing to Customer and Customer is purchasing from Provider those Services described in that certain Interconnection, Telecommunications Services and Facilities Agreement for the State of _____ by and between GTE and USX dated effective as of _____, 199____ (the "Agreement"); and

WHEREAS, the Parties desire to amend the Agreement as provided in this Amendment.

NOW, THEREFORE, in consideration of the terms and conditions contained in this Amendment, the Parties agree as follows:

1.3. Additional Services [if applicable]

- 3.1 Provider agrees to provide to Customer and Customer agrees to purchase from Provider the following services under the terms and conditions set forth in the Agreement and within the service attachment listed below and attached to this Amendment:

Service Attachment _____ - _____

- 3.2 As of the effective date of this Amendment, and continuing through the remaining term of the Agreement, _____ is made a part of the Services provided under the Agreement and Service Attachment _____ shall be deemed to be a Service Attachment to the Agreement.
- 3.3 As of the effective date of this Amendment, and continuing through the remaining term of the Agreement, Appendix A, Service Matrix, to the Agreement is hereby deleted and Appendix A, Service Matrix, to this Amendment is hereby inserted in lieu thereof to reflect the additional Services and related Service Locations.

4. Service Locations [if applicable]

- 4.1 Provider agrees to provide to Customer and Customer agrees to purchase from Provider the following Services in the following locations:

Service Location
(identified by tandem
_____ serving area)

POI
(identified by
_____ CLLI code)

Services
(identified by Service
Attachment Number)

4.2 As of the effective date of this Amendment, the locations set forth in Section 5.1 above shall be deemed Service Locations under the Agreement.

4.3 As of the effective date of this Amendment, and continuing through the remaining term of the Agreement, Appendix A, Service Matrix, to the Agreement is hereby deleted and Appendix A, Service Matrix, to this Amendment is hereby inserted in lieu thereof to reflect additional Service Locations.

5. **Interpretation**

All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

6. **Effect**

Except as modified herein, the Agreement shall remain in full force and effect.

7. **Authority**

Each person whose signature appears below represents and warrants that he or she has the authority to bind the Party on whose behalf he or she has executed this Amendment.

8. **Multiple Counterparts**

This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

9. **No Offer**

Submission of this Amendment for examination or signature does not constitute an offer by Provider for the provision of the products or services described herein. This Amendment will be effective only upon execution by both Provider and Customer.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the date or dates written below effective as of the date first above written.

GTE SOUTH INCORPORATED
GTE NORTH INCORPORATED

US XCHANGE OF ILLINOIS, L.L.C.

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

Date:_____

Date:_____

APPENDIX C
RATES AND CHARGES FOR
TRANSPORT AND TERMINATION OF TRAFFIC

General. The rates contained in this Appendix C are the rates as defined in Article IV and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Universal Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

Each Party will bill the other Party as appropriate:

- A. The Local Interconnection rate element that applies to Local Traffic on a minute of use basis that each Party switches for termination purposes at its wire centers. The local interconnection rate is **\$0.0061358**.
- B. The Tandem Switching rate element that applies to tandem routed Local Traffic on a minute of use basis. The tandem switching rate is **\$0.0028187**.
- C. The Common Transport Facility rate element that applies to tandem routed Local Traffic on a per minute/per mile basis. The Common Transport Facility rate is **\$0.0000294**.
- D. The Common Transport Termination element that applies to tandem routed Local Traffic on a per minute/per termination basis. The Common Transport Termination rate is **\$0.0003121**.
- E. The Tandem Transiting Charge is comprised of the following rate elements:

Tandem Switching:	=	\$0.0028187
Tandem Transport (10 mile average): 10 x \$0.0000294	=	\$0.0002940
Transport Termination (2 Terminations): 2 x \$0.0003121	=	<u>\$0.0006242</u>
Transiting Charge:	=	\$0.0037369
- F. Initial Factors:

(1) PLU	95%
(2) Initial Proportionate Share Factor	50%
(3) Exempt Factor	5%

APPENDIX D
RATES AND CHARGES FOR LOCAL NUMBER PORTABILITY USING RCF

General. The rates contained in this Appendix D are as defined in Article I?, Section 7, and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Universal Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

Service Number Portability

Remote Call Forwarding	\$10.73 line/month
Simultaneous Call Capability	\$14.44 path/month
Non-recurring for Portability	\$10.50

In addition, as defined in Article IV, Section 3.3.3 the Party providing the ported number will pay the other Party the following rate per line per month for each ported business line and the rate per line per month for each ported residential line for the sharing of Access Charges on calls to ported numbers.

Illinois Alltel

Business Rate Per Line Per Month:	\$ 9.62
Residential Rate Per Line Per Month:	\$ 4.25

Illinois GTE

Business Rate Per Line Per Month:	\$ 9.24
Residential Rate Per Line Per Month:	\$ 5.06

APPENDIX E
SERVICES AVAILABLE FOR RESALE

General. The rates for resold services described in Article V, Section 5.2 are based upon an avoided cost discount from GTE's retail rates as provided in Article V, Section 5.3 of the Agreement. The avoided cost discount is based upon GTE's most current available cost studies and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Universal Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

GTE assesses a separate interim universal service fund surcharge for resale of Basic Local Exchange Residential and Business Services at the avoided cost discount set forth to provide continued universal service support that is implicit in GTE's current retail services prices. This surcharge is being addressed (or will be addressed) by the Commission or a court of competent jurisdiction. The parties agree that GTE will offer for resale Basic Local Exchange Residential and Business Services without the interim surcharge, but subject to the following terms and conditions:

- A. USX agrees that within thirty (30) days after the effective date of a Commission or court order affirming GTE's interim surcharge, USX will:
 - (i) begin paying the monthly interim surcharge in accord with Appendix E,
 - (ii) make a lump sum payment to GTE of the total interim surcharges retroactive to the effective date of this agreement, except that if the body that is reviewing the interim surcharges establishes a later date or makes no provision for retroactivity, then that body's determination as to retroactivity or decision not to provide for retroactivity shall apply, subject to all appeals. For purposes of the preceding sentence, the Commission or court order affirming GTE's interim surcharge is one that derives from a generic proceeding and not one derived from a proceeding between GTE and a single CLEC other than USX.
- B. Nothing in this Agreement shall restrict or impair GTE from seeking injunctive relief or any other remedy at any time and in any court regarding GTE's interim surcharge or the Commission's rejection or modification of GTE's interim surcharge

The avoided cost discount is 11.5%.

Non-Recurring Charges for Resale Services

Initial Service Order (per order)	\$41.34
Transfer of Service Charges (per order)	\$41.34
Subsequent Service Order (per order)	\$23.97
Customer Service Record Research (per request)	\$ 2.00
Resale Line Installation (per line)	\$23.88
Outside Facility Connection Charge*	\$56.50

* Per Tariff: This charge will apply when field work is required for establishment of new resale service. The terms, conditions and rates that apply for this work are described in GTE's retail local service tariffs.

Universal Service Fund (USF) Support Surcharge	
Residential (per line)	\$ 1.11
Business (per line)	\$ 1.69

APPENDIX F
PRICES FOR UNBUNDLED ELEMENTS

General. The rates contained in this Appendix F are the rates as defined in Article VI and are subject to change resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's interim Service Support Surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation. GTE will offer unbundled loops and ports under the following conditions:

GTE assesses a separate interim universal service fund surcharge for loops and ports to provide continued universal service support that is implicit in GTE's current retail services prices; and to respect the careful distinctions Congress has drawn between access to UNEs, on the one hand, and the purchase at wholesale rates of GTE services on the other. This surcharge is being addressed (or will be addressed) by the Commission or a court of competent jurisdiction. The parties agree that GTE will offer the port and loop UNEs at the rates set forth below in Appendix F without the interim surcharge, but subject to the following terms and conditions:

- A. USX agrees that within thirty (30) days after the effective date of a Commission or court order affirming GTE's interim surcharge, USX will:
 - (i) begin paying the monthly interim surcharge in accord with Appendix F,
 - (ii) make a lump sum payment to GTE of the total interim surcharges retroactive to the effective date of this agreement, except that if the body that is reviewing the interim surcharges establishes a later date or makes no provision for retroactivity, then that body's determination as to retroactivity or decision not to provide for retroactivity shall apply, subject to all appeals. For purposes of the preceding sentence, the Commission or court order affirming GTE's interim surcharge is one that derives from a generic proceeding and not one derived from a proceeding between GTE and a single CLEC other than USX.
- B. Nothing in this Agreement shall restrict or impair GTE from seeking injunctive relief or any other remedy at any time and in any court regarding GTE's interim surcharge or the Commission's rejection or modification of GTE's interim surcharge.

Local Loops

2 Wire Analog Voice Grade Loop	\$ 40.17
4 Wire Analog Voice Grade Loop	\$ 46.81
2 Wire Digital Loop	\$ TBD
4 Wire Digital Loop	\$ TBD
DS-1 Loop	\$ TBD
DS-3 Loop	\$ TBD

Network Interface Device

Basic NID	\$.46
12 x NID	TBD

Local Switching (must purchase port)**Ports**

2 Wire Analog Line Port	\$ 3.80
2 Wire ISDN Digital Line Port	\$ TBD
DS-1 Digital Trunk Port	\$ 135.11
4 Wire ISDN Digital DS-1 Port	\$ TBD

Local Switching

Overall Average MOU	\$ 0.0061358
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Shared Transport

Transport Termination MOU/Term	\$ 0.0003121
Transport Facility MOU/Mile	\$ 0.0000294
Tandem Switching MOU	\$ 0.0028187

Vertical Features

See Attached

Dedicated Transport**CLEC Dedicated Transport**

2 Wire Voice	\$ 23.50
4 Wire Voice	\$ 37.60
DS1 Standard 1st System	\$ 198.94
DS1 Standard Add'l System	\$ 91.83
DS3 Protected, Electrical	\$1,250.00
DS1 to Voice Multiplexing	\$ 182.58
DS3 to Voice Multiplexing	\$ 710.15

Interoffice Dedicated Transport

Voice Facility Per ALM	\$.47
Voice Facility Per Termination	\$ 5.00
DS1 Facility Per ALM	\$ 11.31
DS1 Per Termination	\$ 119.94
DS3 Facility Per ALM	\$ 316.75
DS3 Per Termination	\$ 868.28

Databases and Signaling Systems**Signaling Links and STP**

56 Kbps Links	GTOC FCC-1 Tariff
DS-1 Link	GTOC FCC-1 Tariff
Signal Transfer Point (STP) Port Term	GTOC FCC-1 Tariff

Call Related Databases

Line Information Database (ABS-Queries)	GTOC FCC-1 Tariff
Toll Free Calling Database (DB800 Queries)	GTOC FCC-1 Tariff

Universal Service Fund (USF) Support Surcharge

Per Loop	\$ TBD
Per Port	\$ TBD

Non-Recurring Charges for Unbundled Services**Service Ordering (loop or port)**

Initial Service Order, per order	\$ 41.34
Transfer of Service Charges, per order	\$ 41.34
Subsequent Service Order, per order	\$ 23.97
Customer Service Record Research, per request	\$ 2.00

Installation

Unbundled Loop, per loop	\$ 23.68
Unbundled Port, per port	\$ 23.68
Loop Facility Charge, per order	\$ 56.50

This charge will apply when field work is required for establishment of new unbundled loop service.

Monthly Recurring Charge for EIS

DS0 Level Connection	Tariff
DS1 Level Connection	Tariff

APPENDIX G
OPERATIONS SUPPORT SYSTEM FUNCTIONS

1. Service Ordering, Service Provisioning, and Billing Systems Generally. The following describes the operations support systems that GTE will use and the related functions that are available in the short term to USX for ordering, provisioning and billing for resold services, interconnection facilities and services and unbundled network elements.

1.1 Operations Support Systems for Trunk-Side Interconnection

- 1.1.1 USX will be able to order trunk-side interconnection services and facilities from GTE through a direct electronic interface over the GTE Network Data Mover ("NDM") in a nondiscriminatory manner. Orders for trunk-side interconnection will be initiated by an Access Service Request ("ASR") sent electronically by USX over the NDM. ASRs for trunk-side interconnection will be entered electronically into GTE's Customer Access Management System ("CAMS") to validate the request, identify any errors, and resolve any errors back to USX. CAMS is a family of GTE systems comprised of EXACT/TUF, SOG/SOP, and CABS.
- 1.1.2 The use of CAMS to support USX's requests for trunk-side interconnection will operate in the following manner: GTE will route the ASR through its data center to one of two National Access Ordering Centers ("NAOC"). The ASR will be entered electronically into the EXACT/TUF system for validation and correction of errors. Errors will be referred back to USX. USX then will correct any errors that GTE has identified and resubmit the request to GTE electronically through a supplemental ASR. GTE then will translate the ASR into a service order for provisioning and billing. In order to convert the ASR into a service order, GTE personnel must apply the necessary elements to provision the service and include the billable elements necessary for GTE to bill USX for the services provided. This application also requires a determination of the access tandem to end office relationships with the service requested.
- 1.1.3 At the next system level, translated service orders will be distributed electronically through the SOG/SOP systems to several destinations. The SOG/SOP system will begin the actual provisioning of the service for USX. Other GTE provisioning systems are CNAS and ACES. The GTE Database Administrative Group ("DBA") and the Special Services Control Center ("SSCC") will be the two most important destinations at this level. The DBA location will identify codes for the appropriate GTE switch in order to provide the functions required by the ASR. The SSCC will provide the engineering for the facilities over which the services will be handled. Information from these two groups (and others) then will be transmitted electronically to GTE's field service personnel (Customer Zone Technicians or "CZTs") who will establish the trunks and facilities, thus connecting the GTE facilities to a connecting company, if one is required, and to USX. GTE's CZTs also will contact USX directly to perform testing, and upon acceptance by USX, will make the necessary entries into the GTE system to complete the order. The completed orders then will pass to GTE's Carrier Access Billing System ("CABS") which will generate the bill to USX. The billing process under CABS requires coordination with several other systems.
- 1.1.4 Billing for transport and termination services cannot be accomplished without call records from GTE's central office switches. Records of usage will be generated at GTE's end office switches or the access tandems. Call usage records will be transmitted electronically from GTE's switches through GTE's Billing Intermediate Processor ("BIP"). This system will collect the call records, perform limited manipulations to the record and transfer them to a centralized data center where they will be processed through the Universal Measurement System ("UMS") to determine the validity and accuracy of the records. UMS also will sort the records and send them to the CABS billing system, from which GTE will produce a bill and send it to USX.

1.2 Operations Support Systems for Resold Services and Unbundled Elements

- 1.2.1 USX will also be able to order services for resale and unbundled network elements, as well as interim number portability, directly from GTE through an electronic interface. To initiate an order for these services or elements, USX will submit a Local Service Request ("LSR") from its data center to GTE's Data Center using the same electronic NDM interface used for trunk-side interconnection. If USX chooses not to use the electronic NDM, GTE will accommodate submission of LSR orders by facsimile, E-mail, Internet or a dial NDM arrangement. An LSR is very similar to an ASR, except that it will be used exclusively for line-side interconnection requests. GTE will transfer LSRs to GTE's NOMC centralized service order processing center electronically. For USXs who decide not to use an electronic interface to reach GTE's data center, or who do not have data centers similar to USX's, GTE will accept requests for service through other forms or media directly to the NOMC.
- 1.2.2 Most LSRs will be used either to transfer an existing GTE customer to USX or to request service for a new customer who is not an existing GTE customer. Depending on the situation, different information will be required on the LSR. LSRs for a conversion of a GTE local customer to USX must include information relating to all existing, new and disconnected services for that customer, including the customer's name, type of service desired, location of service and features or options the customer desires. For service to a new customer who is not an existing GTE customer, the LSR must contain the customer's name, service address, service type, services, options, features and ALEC data. If known, the LSR should include the telephone number and due date/desired due date.
- 1.2.3 While USX would have its own customer information and the SAG/GTE products on tape from GTE, USX would not have the due date or new telephone number for new customers since that information is contained in GTE's systems. Therefore, a process is required to provide this information to USX. GTE itself does not have uniform access to this information electronically. Until there is agreement on electronic interfaces, USX has agreed that an 800 number is the method that will be used. The 800 telephone number will connect USX directly to GTE's NOMC service representatives. When USX receives a request for service from a new local service customer, USX will call GTE's NOMC through the 800 number, and, while the new customer is on hold, GTE will provide the due date for service and the new telephone number for that customer. At the same time, USX will give GTE the new customer's name, service address and type of requested service (e.g., R1, B1, etc.). GTE will enter that information into its SORCES or SOLAR service ordering systems to be held in suspense until USX sends the confirming LSR. USX will then return to its customer holding on the line and provide the due date and new telephone number.
- 1.2.4 After concluding the telephone call with the new customer, USX will complete a confirming LSR for the new service and send it electronically to GTE's data center for processing. Upon receipt, GTE will match the LSR with the service order suspended in GTE's system, and if there is a match, GTE will process the LSR. After the LSR is processed, GTE will transmit confirmation electronically to USX through the NDM that the LSR has been processed, providing a record of the telephone number and due date. Of course, GTE cannot hold the LSR in suspension forever. Thus, USX will be required to submit the confirming LSR by 12:00 p.m. each day local time, as defined by the location of the service address. If USX fails to submit the LSR in a timely manner, the suspended LSR will be considered in jeopardy, at which time GTE will assign a new due date upon receipt of the delayed LSR for such customer requests and notify USX of the change.
- 1.2.5 Number assignments and due date schedules for services other than single line service will be assigned using the standard Firm Order Confirmation ("FOC") report sent electronically to USX over the NDM, thereby providing a record of the newly established due date. An exception would be a multi-line hunt group, for which the pilot number will be

provided by the 800 number. The other numbers then will be provided through the normal electronic confirmation process.

- 1.2.6 The processing of specifically requested telephone numbers (called "vanity numbers") is as follows. GTE will work with USX on a real time interface to process vanity numbers while USX's customer is still on the line. If a number solution can be established expeditiously, it will be done while the customer is still on the line. If extensive time will be required to find a solution, GTE service representatives will work with USX representatives off line as GTE would for its own customers. For all of this, the basic tariff guidelines for providing telephone numbers will be followed.
- 1.2.7 Once the order for line-side interconnection service is established, it is moved for provisioning to the next system level. Here, GTE will validate and process the LSR to establish an account for USX and, if GTE continues to provide some residual services to the customer, GTE will maintain a GTE account. In GTE's system, GTE's account is called the Residual Account and USX's account is referred to as the ALEC Account. If any engineering for the service is necessary, the account would be distributed to the SSCC. Otherwise, it will be distributed for facility assignment.
- 1.2.8 With the account established and any engineering and facility assignment complete, GTE then will transmit electronically a record to GTE's CZT field personnel if physical interconnection or similar activity is required. The CZTs will provision the service and then electronically confirm such provision in the SOLAR/SORCES system when completed. The accounts then will be transmitted to GTE's Customer Billing Services System ("CBSS"). Call records for actual service provided to USX's customers on GTE facilities will be transmitted from GTE's switches through some usage rating systems (BIP, UMS), screened and eventually delivered to CBSS for the generation of bills.
- 1.2.9 CBSS is a different system than CABS, and it is the one that GTE will utilize to produce the required bills for resold services, unbundled elements and local number portability. CBSS will create a bill to USX for resold services and unbundled elements along with a summary bill master. Daily unrated records on USX's accounts also will be generated and transmitted electronically to USX. CBSS is the same system that generates GTE's own end user bill for GTE local and residual services.
- 1.2.10 In addition to the LSR delivery process, USX will distribute directory assistance and directory listing information (together sometimes referred to hereafter as "DA/DL information") to GTE's Data Center over the NDM. GTE will sort the data containing this information and process it to GTE's directory publication company and its directory assistance bureaus.
- 1.2.11 GTE will process such service orders during normal operating hours, at a minimum on each Business Day between the hours of 8 a.m. to 8 p.m. Eastern Time and shall implement service orders within the same time intervals used to implement service orders for similar services for its own users

GTE will perform the remote call forwarding (RCF) end office activities necessary for an Interim Number Portability (INP) conversion between 12:01 AM and 7:00 AM on the due date. GTE will perform the end office activities necessary for a GTE unbundled loop conversion between 7:00 AM and 9:00 AM on the due date. If field work is required for a GTE unbundled loop conversion, GTE will perform these activities between 8:00 AM and 5:00 PM on the due date. If a GTE unbundled loop and INP were identified on the same LSR for the same customer at the same location and GTE is unable to perform any aspect of the desired conversion, GTE will contact USX.

GTE recognizes the need for coordinated conversions to occur at a specific time, so that the RCF and UNE are converted during a narrow time window (i.e. 2 hours or less). GTE

will make its best efforts to make such conversions occur when requested by USX. USX agrees that GTE may charge USX a reasonable cost for such conversion activity.

2. Maintenance Systems.

2.1 General Overview

- 2.1.1 The maintenance operations support systems which GTE will use for USX are essentially the same as those GTE uses to provide its own local repair service. If USX requires maintenance for its local service customers, USX will initiate a request for repair (sometimes referred to as a "trouble report") by calling GTE's Customer Care Repair Center. During this call, GTE service representatives will verify that the end-user is an USX customer and will then obtain the necessary information from USX to process the trouble report. While the USX representatives are still on the line, GTE personnel will perform an initial analysis of the problem and remote line testing for resale services. If engineered services are involved, the call will be made to the GTE SSCC for handling. If no engineering is required and the line testing reveals that the trouble can be repaired remotely, GTE personnel will correct the problem and close the trouble report while USX representatives are still on the line. If on-line resolution is not possible, GTE personnel will provide USX representatives a commitment time for repair and a trouble ticket number, and the GTE personnel then will enter the trouble ticket into the GTE service dispatch queue. USX's repair service commitment times will be within the same intervals as GTE provides to its own end users.
- 2.1.2 Repair calls to the SSCC for engineered services will be processed in essentially the same manner as those by the GTE Customer Care Center. GTE personnel will analyze the problem, provide the USX representative with a commitment time while they are still on the line, and then place the trouble ticket in the dispatch queue.
- 2.1.3 GTE then will process all USX trouble reports in the dispatch queue along with GTE trouble reports in the order they were filed (first in, first out), with priority given to out-of-service conditions. If, at any time, GTE would determine that a commitment time given to USX becomes in jeopardy, GTE service representatives will contact USX by telephone to advise of the jeopardy condition and provide a new commitment time.
- 2.1.4 Trouble reports in the dispatch queue will be transmitted electronically to GTE CZT service technicians who will repair the service problems and clear the trouble reports. For cleared USX trouble reports, GTE service technicians will make a telephone call to USX directly to clear the trouble ticket. GTE service technicians will make the confirmation call to the telephone number provided by USX. If USX is unable to process the call or places the GTE technician on hold, the call will be terminated. To avoid disconnect, USX may develop an answering system, such as voice mail, to handle the confirmation calls expeditiously.
- 2.1.5 GTE will not provide "on-line" access to GTE's maintenance support systems to "status" trouble tickets and close them except by special request on a per event basis.
- 2.1.6 GTE will resolve repair requests by or for USX local service customers using GTE's existing repair system in parity with repair requests by GTE end users. GTE will respond to service requests for USX using the same time parameters and procedures that GTE uses. USX then would call GTE's Customer Care Center or SSCC while the customers were on hold.

APPENDIX H
RECIPROCAL COMPENSATION FOR CALL TERMINATION

This document describes the reciprocal compensation arrangements between USX and GTE with respect to use of unbundled network elements for Local Traffic, Toll and Switched Access Services. The Parties shall compensate each other for transport and termination of such traffic at the rates provided in Appendix C and/or the appropriate Parties' Switched Access Tariff

Compensation for Call Termination

Reciprocal compensation does not apply in a resale environment.

The following compensation terms shall apply in all cases where USX purchases GTE's unbundled Local Switching:

1. For local intra-switch calls between lines connected to GTE's switch where USX has purchased GTE's unbundled Local Switching, the Parties agree to impose no call termination charges on each other. GTE's Local Switching charge will apply as described below where the call is:
 - (a) Originated by USX's customer and completed to a GTE customer:
 - (1) (For use of the local switch): Local Switching charge at the originating office will apply to USX.
 - (b) Originated by USX's customer and completed to the customer of a third party LEC (not affiliated with USX) using GTE's unbundled Local Switching:
 - (1) (For use of the local switch): Local Switching charge at the originating office will apply to USX.
 - (c) Originated by USX's customer and completed to another USX's customer using GTE's unbundled Local Switching.
 - (1) (For use of the local switch): Local Switching charge at the originating office will apply to USX.
 - (d) Originated by a GTE customer and terminated to USX's customer using GTE's unbundled Local Switching.
 - (1) No Local Switching charge will apply.
 - (e) Originated by the customer of a third party LEC (not affiliated with USX) using GTE's unbundled Local Switching and terminated to USX's customers using GTE's unbundled Local Switching.
 - (1) No Local Switching charge will apply to USX.
2. For Local inner-switch calls where USX has purchased GTE's unbundled Local Switching.

GTE's charges will apply to USX described below where the call is:

 - (a) Originated from USX's end-user customer using GTE's unbundled Local Switching and completed to a GTE customer.

- (1) (For use of the local switch): Local Switching charge at the originating office.
- (2) A mileage-based transport charge will apply when USX uses GTE's transport.
- (3) (For call termination): Charges for local interconnection/call termination, when applicable.
- (b) Originated from USX's customer using GTE's unbundled Local Switching and completed to a third party LEC (not affiliated with USX) customer using GTE's unbundled Local Switching.
 - (1) (For use of the local switch): Local Switching charge at the originating office.
 - (2) A mileage-based transport charge will apply when USX uses GTE's transport.
- (c) Originated from USX's customer using GTE's unbundled Local Switching and completed to the interconnected network of a third party LEC (not affiliated with USX).
 - (1) (For use of the local switch): Local Switching charge at the originating office.
 - (2) A mileage-based transport charge will apply when USX uses GTE's transport, and mileage shall be measured between the originating office and the POI of the third party's network.
- (d) Originated from USX's customer using GTE's unbundled Local Switching and completed to USX's customer using GTE's unbundled Local Switching.
 - (1) (For use of the local switch): Local Switching charge at the originating office.
 - (2) A mileage-based transport charge will apply when USX uses GTE's transport.
 - (3) (For use of the local switch): Local Switching charge at the terminating office.
- (e) Originated by a GTE customer and terminated to USX's customer using GTE's unbundled Local Switching.
 - (1) (For use at local switch): Local Switching Charge at the terminating office.
 - (2) (For call termination): USX shall charge GTE for local interconnection/call termination, when applicable.
- (f) Originated by a customer of a third-party LEC (not affiliated with USX) using GTE's unbundled Local Switching and terminated to USX's customer using GTE's unbundled Local Switching.
 - (1) (For use of the local switch): Local Switching charge at the terminating office.

- (g) Originated by a customer of the interconnected network of a third-party LEC (not affiliated with USX) and terminated to USX's customer using GTE's unbundled Local Switching.

- (1) (For use of the local switch): Local Switching charge at the terminating office.

For intraLATA toll calls where USX has purchased GTE's unbundled Local Switching, charges per Unbundled Network Element pricing shall apply as follows:

- (a) Originated by USX's customer and completed to a GTE customer.

- (1) (For use of the local switch): Local Switching charge plus RIC and CCLC (Residual Interconnection Charge) at the originating office.

- (2) Shared transport charge between the two offices will apply when USX uses GTE's transport.

- (3) (For call termination): End Office Switching charge at the terminating office (Switched Access Rate).

- (4) RIC and CCLC at the terminating office.

- (b) Originated by USX's customer and completed to the customer of a third-party LEC (not affiliated with USX) using GTE's unbundled Local Switching in a distant end office.

- (1) (For use of the local switch): Local Switching charge plus RIC and CCLC at the originating office.

- (2) Shared transport charge between the two offices will apply when USX uses GTE's transport.

- (c) Originated by USX customer and completed to the network of a third-party LEC (not affiliated with USX) interconnected with GTE's network.

- (1) (For use of the local switch): Local Switching charge, plus RIC and CCLC, at the originating office.

- (2) Common transport charge will apply when USX uses GTE's transport, and mileage shall be measured between the originating office and the POI of the third party's network.

- (3) Tandem Switching, where applicable.

- (d) Originated by USX's customer and completed by another of USX's customers being served through GTE's unbundled Local Switching in a distant office.

- (1) (For use of the local switch): Local Switching charge plus RIC and CCLC at the originating office.

- (2) Shared transport charge between the two offices will apply when USX uses GTE's transport.

- (3) (For use of the local switch): Local Switching charge plus RIC and CCLC at the terminating office.

- (e) Originated by a GTE customer and terminated to USX's customer using GTE's unbundled Local Switching.

- (1) (For use of the local switch): Local Switching charge plus RIC and CCLC at the terminating office.
- (2) (For call termination): USX will charge GTE Local Switching at the terminating office (Switched Access Rate).
- (3) (For call termination): USX will charge GTE NIC and CCLC at the terminating office.
- (f) Originated by the customer of a third-party LEC (not affiliated with USX) using GTE's unbundled Local Switching in a distant end office and terminated to USX's customer using GTE's unbundled Local Switching.
 - (1) (For use of the local switch): Local Switching charge plus RIC and CCLC at the terminating office.
- (g) Originated by a customer of the network of a third-party LEC (not affiliated with USX) interconnected with GTE's network and terminated to USX's customer using GTE's unbundled Local Switching.
 - (1) (For use of the local switch): Local Switching charge plus RIC and CCLC at the terminating office.

For intrastate Switched Access calls where USX's is using GTE's unbundled Local Switching for calls originated from or terminated to an IXC for completion:

- (a) For calls originated from USX's customer to USX's own IXC switch (or that of an affiliate) for completion.
 - (1) (For use of the local switch): Local Switching charge at the terminating office.
 - (2) Originating RIC and CCLC.
 - (3) GTE will charge USX's IXC affiliate the following Switched Access elements on a meet-point basis:
 - a. Local Transport;
 - b. Tandem Switching.
 - (4) USX will charge USX's IXC affiliate the following Switched Access elements on a meet-point basis:
 - a. Originating RIC and CCLC;
 - b. Local Switching.
- (b) For calls originating from USX's customer to an IXC's switch not affiliated with USX.
 - (1) (For use of the local switch): USX's customer to an IXC's switch not affiliated with USX.
 - (2) Originating RIC and CCLC.
 - (3) GTE shall charge the non-affiliated IXC for the following originating Switched Access on a meet-point basis:
 - a. Local Transport;

- b. Tandem Switching.
- (4) USX will charge the non-affiliated IXC for the following Switched Access elements on a meet-point basis:
 - a. Originating RIC and CCLC;
 - b. Local Switching.
- (c) For calls terminating to USX's end-user customer from USX's own IXC switch (or that of an affiliate) for completion.
 - (1) (For use of the local switch): Local Switching charge at the terminating office.
 - (2) Terminating RIC and CCLC.
 - (3) GTE will charge USX's IXC (affiliate) the following Switched Access elements on a meet-point basis:
 - a. Local Transport;
 - b. Tandem Switching.
 - (4) USX will charge USX's IXC (affiliate) for the following Switched Access elements on a meet-point basis:
 - a. Terminating RIC and CCLC.
 - b. Local Switching.
- (d) For calls terminating to USX's customer from an IXC switch not affiliated with USX.
 - (1) (For use of the local switch): Local Switching charge at the terminating office.
 - (2) Terminating RIC and CCLC.
 - (3) GTE shall charge the IXC for the following terminating Switched Access on a meet-point basis:
 - a. Local Transport;
 - b. Tandem Switching.
 - (4) USX will charge IXC for the following Switched Access elements on a meet-point basis:
 - a. Terminating RIC and CCLC;
 - b. Local Switching.

For interstate Switched Access calls where USX is using GTE's unbundled Local Switching for calls originated from or terminated to an IXC for completion:

- (a) For calls originated from USX's customer to USX's own IXC switch (or that of an affiliate) for completion.
 - (1) (For use of the local switch): Local Switching charge at the originating office.

- (2) Originating Residual Interconnection Charge (RIC) and CCL.
 - (3) GTE shall charge USX's IXC affiliate for the following originating Switched Access on a meet-point basis:
 - a. Local Transport;
 - b. Tandem Switching.
 - (4) USX will charge USX's IXC affiliate the following Switched Access elements on a meet-point basis:
 - a. Originating RIC;
 - b. Originating CCLC;
 - c. Local Switching.
- (b) For calls originated from USX's customer to an IXC's switch not affiliated to USX.
- (1) (For use of the local switch): Local Switching charge at the terminating office.
 - (2) Originating RIC and CCLC.
 - (3) GTE shall charge the IXC for the following originating Switched Access on a meet-point basis:
 - a. Local Transport;]
 - b. Tandem Switching.
 - (4) USX will charge IXC the following Switched Access elements on a meet-point basis:
 - a. Originating RIC;
 - b. Originating CCLC;
 - c. Local Switching.
- (c) For calls terminating to USX's customer for USX's own IXC switch (or that of an affiliate) for completion.
- (1) (For use of the local switch): Local Switching charge at the terminating office.
 - (2) Terminating RIC and CCL.
 - (3) GTE will charge USX's IXC (affiliate) the following Switched Access elements on a meet-point basis:
 - a. Local Transport;
 - b. Tandem Switching.
 - (4) USX will charge USX's IXC affiliate the following Switched Access elements on a meet-point basis:
 - a. Terminating RIC;

- b. Terminating CCLC;
 - c. Local Switching.
- (d) For calls terminating to USX's customer from an IXC switch not affiliated with USX.
 - (1) (For use of the local switch): Local Switching charge at the terminating office.
 - (2) Terminating RIC and CCL.
 - (3) GTE will charge the non-affiliated IXC for the following terminating Switched Access on a meet-point basis:
 - a. Local Transport;
 - b. Tandem Switching.
 - (4) USX will charge IXC the following Switched Access elements on a meet-point basis:
 - a. Terminating RIC;
 - b. Terminating CCLC;
 - c. Local Switching.

APPENDIX I PERFORMANCE MEASURES

Pursuant to Article III of this Agreement, the following terms and conditions shall apply regarding the performance measures set forth in this Appendix I. The Parties recognize that these performance measures are new and evolving, and as further evolution is made by GTE, the parties will discuss the changed procedures, including new standard processes and procedures, if any, for the purpose of applying them to and incorporating them in this Agreement.

GTE's Performance Measures (PMs) as set forth in this Appendix implement standards to measure the quality of services supplied by GTE with respect to pre-ordering, order/provisioning, maintenance and billing that is equivalent in equality to what GTE provides to itself. GTE's PMs contain measures for both GTE and USX with the measures for USX being considered an essential element for GTE meeting customer expectations.

GTE's PMs are conditioned upon a 150 order per month minimum requirement as described below for Service Units, as a threshold for providing Financial Incentives for certain PMs. The 150 order per month requirement for Service Units was developed to provide a statistically valid sample size to measure GTE's performance for USX in relationship to the level of performance GTE provides to its own customers. Service Units are defined to include unbundled loops, unbundled ports, resold local service lines, INP ported numbers, and interconnection trunks.

The Parties recognize that the 150 order threshold may not be reasonably attainable for small sized telecommunications carriers. Therefore, the Parties agree to work cooperatively to develop alternative methods of measuring performance for pre-ordering, ordering, and provisioning that will allow small sized telecommunications carriers to be eligible for Financial Incentives while continuing to insure the measurement process accurately represents GTE's performance.

GTE will begin recording of performance data in the first full month in which it receives the first official order from USX. GTE's report of performance measures to USX, however, will begin after 6 months of data recording; i.e., for data recorded in the seventh full month. Each month's report will then be reported as a rolling 3-month result (i.e., July's report will actually include May, June, July data). The calculation of USX performance will be based on this 3 month rolling average of actual performance unless otherwise specified.

Reporting will be available monthly, or at a longer interval, as requested by USX. The details of report delivery shall be agreed upon between USX and the appropriate GTE Account Management group.

Forecasting Performance Measurement - GTE's PMs are conditioned upon the requirement, as described more fully below, that USX submit timely and accurate forecasts. The Forecasting PM includes provisions that measure the accuracy of USX's forecast by comparing forecasted Service Units to ordered Service Units for the same period.

USX shall furnish a quarterly forecast of service order volumes and quantities of resold local services, unbundled network elements, and interconnection trunks on a State-wide basis, identifying these volumes/quantities by month, for each month included in the quarter. These forecasts shall be received by GTE at least one month before the beginning of the quarter covered by the forecast. Should the first month of the next quarterly forecast be greater than ten (10%) percent of the last month of the current quarterly forecast, USX shall notify GTE promptly of the increased order volume. Notification shall be made to the appropriate GTE Account Management group in order to allow sufficient "lead time" to ensure staffing levels are available to support the increased order volumes.

USX must agree to comply with the requirements of the Forecasting PM as the basis for the application of Financial Incentives described below. If USX chooses not to comply with the Forecasting PM, Financial Incentives will not apply. For purposes of applying Financial Incentives the accuracy of forecasts will be determined at the state level.

The measurement and reporting of GTE's PMs will still be made available as stated above regardless of USX's election for the Forecasting PM.

Financial Incentives - When USX agrees to the Forecasting PM described above, Financial Incentives will begin concurrently with reporting of individual USX performance data except as specified below for the Pre-Ordering/Ordering/Provisioning and Interconnection PMs.

Financial Incentives will apply to Maintenance/Repair PMs without restriction other than USX's participation in the Forecasting PM.

Financial Incentives will apply to Pre-Ordering/Ordering/Provisioning and Interconnection PMs subject to USX's participation in the Forecasting PM and the required per month ordering threshold. USX must place a 150 orders per month minimum for Service Units, by state, for three (3) consecutive months (hereafter the "150-order requirement"). Once USX's order volume reaches the "150-order requirement", a ninety (90) day grace period will begin wherein data will be accumulated and reviewed. At the end of that ninety (90) day grace period, applicable Financial Incentives shall apply. The three (3) consecutive months and the subsequent ninety (90) day grace period may be concurrent with all or part of the beginning six (6) month period after recording of official data begins, between initial order activity and the implementation of performance reporting (i.e., month 7 data).

For purposes of applying Financial Incentives to the Forecasting PM, if USX's actual order activity for Service Units in a given month is below the forecast for that month by more than 10%, Financial Incentives will apply only to the incremental Service Units that were forecasted but not ordered; i.e., the difference between the actual quantity ordered and the quantity which reflects the forecast less 10%.

For purposes of applying Financial Incentives to the Pre-ordering/Ordering/Provisioning and Interconnection PM, if USX's actual order activity for Service Units in a given month exceeds the forecast for that month by more than 10%, financial incentives If USX's actual order activity for Service Units in a given month exceeds the forecast for that month by more than 10%, Financial Incentives will not apply to the incremental Service Units above the 10% threshold.

Average Non-Recurring Charges - The averages are calculated by dividing the sum of all non-recurring charges applied to service orders issued by USX to GTE by the total number of orders or the total number of Service Units ordered. These calculations will be made by service activity and service category: Business (Single/Multi-line, Centranet, PBX, Trunks), Residence, etc.. The average Non-Recurring Charges will be separately calculated for field work and non-field work orders. These averages and a weighting factor for field and non-field work will be calculated during a study period to be mutually agreed between the Parties. The initial average Non-Recurring Charge calculation will occur within three (3) months of USX's initial issuance of official orders. The average Non-Recurring Charge shall be recalculated annually as mutually agreed between the Parties.

Average Recurring Charges - The averages are calculated by dividing the sum of all recurring charges applied to service orders issued by USX to GTE by the total number of orders or Service Units ordered. These averages will be calculated during a study period to be mutually agreed between the Parties. These calculations will be made by service activity and service category, Business, Residence, etc. The initial average Recurring Charge calculation will occur within three (3) months of USX's initial issuance of official orders. The average Recurring Charges shall be recalculated annually as mutually agreed between the Parties.

GTE Performance Measures with Financial Incentives

PRE-ORDERING/ORDERING/PROVISIONING

Issue No.	Obligation	Data Level	Performance Measure(PM)	Quality Standard	Financial Incentive
1	GTE	National	Prompt transmission of Customer Service Record (CSR) Information	85% of CSR's sent to USX by the close of business on business day following receipt of request	5% of average NRC incurred by USX for the number of CSR's for which the Quality Standard is not met in the reported month
2	GTE	National	Prompt transmission of Local Service Confirmation (LSC)	85% of LSC's sent to USX by the close of business on business day following receipt of request	20% of average NRC incurred by USX for the lines ordered for which GTE failed to meet the Quality Standard in the reported month
3	GTE	State	Due Date commitments met	Percent of USX customer install, transfer, and change service orders for which service is installed by close of business on the committed due date is not more than 2.5% below the percent of GTE customer install, transfer, and change service orders	Waiver of the average NRC installation charges for the number of lines by which GTE fails to meet the Quality Standard in the reported month

Issue No.	Obligation	Data Level	Performance Measure(PM)	Quality Standard	Financial Incentive
4	GTE	State	% reporting trouble within 30 days of the date installed	Percent of USX customer install, transfer, and change service orders which are followed by a customer trouble report within 30 days of service order completion date is not more than 2.5% worse than the percent GTE customer install, transfer, and change service orders which are followed by a customer trouble report within 30 days of service order completion	One month's average MRC per trouble report exceeding the Quality Standard in the reported month (not to exceed one month's credit per customer line month)
5	GTE	State	Service Order discrepancy: LSR's issued without material errors	80% of LSR's initiated by USX's do not contain an order discrepancy or error: 90% in 12 months. Final target - 95%	Payment by USX to GTE equal to 20% of the average NRC installation charges for the number of lines which USX fails to meet the Quality Standard in the reported month

INTERCONNECTION

Issue No.	Obligation	Data Level	Performance Measure(PM)	Quality Standard	Financial Incentive
1	GTE	State	Trunk orders completed on or before the Committed Due Date	Percent of trunk orders by USX completed by GTE on or before the commitment date is not more than 10% below the percent of FG B/D Switched access orders by all ordering companies completed by GTE on or before the commitment date	Waiver of 100% of average NRC for trunks ordered from which GTE failed to meet the Quality Standard in the reported month
2	GTE	National	Firm Order Confirmation (FOC) on time delivery	Percent of trunk orders by USX completed by GTE on or before the commitment date is not more than 5% below the percent of FG B/D Switched access by all ordering companies for which GTE sends FOC (within 5 days, or longer, as requested by USX)	Waiver of 20% average of average NRC installation for trunks for which GTE failed to meet the Quality Standard in the reported month

Issue No.	Obligation	Data Level	Performance Measure(PM)	Quality Standard	Financial Incentive
3	USX	National	Service Order discrepancy: ASR's issued without material errors	80% of ASR's initiated by USX do not contain material error or result in discrepancy; 90% in 12 months. Final target 95%	Charge equal to 20% of average NRC installation of trunks ordered for which USX failed to meet the Quality Standard in the reported month

MAINTENANCE/REPAIR

Issue No.	Obligation	Data Level	Performance Measure(PM)	Quality Standard	Financial Incentive
1	GTE	State	Percent Commitments Met	Percent of USX customer Network trouble reports where commitment was met more than 2.5% worse than the percent of GTE's customer Network trouble reports where commitment was met (excluding reports which are cleared CPE, USX customer error)	One month's flat rate average MRC per line out of service for which Quality Standard is not met in the reported month
2	GTE	State	Average clearing time - Out of Service (OOS) - Designed	Average repair time (total number of elapsed hours/ minutes for OOS USX customer Network trouble reports divided by total number OOS customer Network trouble reports) for USX customers is more than 10% of the average repair time for GTE customers (includes only "Designed" services)	One month's flat rate average MRC per line OOS for which Quality Standard is not met in the reported month

Issue No.	Obligation	Data Level	Performance Measure(PM)	Quality Standard	Financial Incentive
3	GTE	State	Average clearing time - Out Of Service (OOS) - Non-Designed	Average repair time (total number of elapsed hours/minutes for OOS USX customer Network trouble reports divided by total number OOS customer Network trouble reports) for USX customers is more than 10% of the average repair time for GTE customers (includes only POTS and circuits which do not require a design)	One month's flat rate average MRC per line OOS for which Quality Standard is not met in the reported month
4	GTE	State	Percent reports per 100 (Failure Frequency)	Percent of USX customers making trouble reports (total number of USX customer Network trouble reports divided by the total access lines multiplied by 100) is not worse than .5 percent points of the percentage of GTE customers making trouble reports	<p>Within six (6) months of effective date, GTE will have established a minimum access line threshold.</p> <p>One month's flat rate average MRC per line OOS for which Quality Standard is not met in the reported month.</p>

Issue No.	Obligation	Data Level	Performance Measure(PM)	Quality Standard	Financial Incentive
5	GTE	State	Percent repeat reports in 30 days	Percent of USX customer repeat trouble reports (total number of USX customer Network trouble reports which had a previous Network trouble report within the last 30 days divided by the total of customer Network trouble reports multiplied by 100) is not more than 2.5% worse than the percent of GTE customer repeat trouble reports	One month's flat rate average MRC per line OOS for which Quality Standard is not met in the reported month

****Note: Outage Credits: Local Service and Unbundled Network Elements:** Outage Credits apply to interruptions of Local Services and Unbundled Network Elements in accordance with applicable state Public Service Commission requirements. If a Local Service or Unbundled Network Element is interrupted, USX will be entitled to outage credits. An interruption period begins when USX reports to GTE that a Local Service or Unbundled Network Element is interrupted (or GTE has knowledge that an interruption has occurred through service monitoring or other means). An interruption period ends when the Local Service is repaired and returned to USX. A Local Service or Unbundled Network Element is considered to be interrupted when there has been a loss of continuity, the Local Service or Unbundled Network Element does not operate in accordance with the applicable service standards, or it is otherwise unavailable for use by USX. This definition is not intended to conflict with State Public Utility Commission requirements.

FORECASTING

Issue No.	Obligation	DataLevel	Performance Measurement(PM)	Quality Standard	Financial Incentive
1	USX	State	Service Units requirements accurately forecast all volumes for each month contained in the quarterly report.	Volume of USX's Service Units requirements in a month is not greater than 10% below the amount forecast by USX in it's most recent quarterly forecast (which shall have been made not later than 30 days prior to the quarter in question)	20% of the average NRC for the number of service units below the forecast when the actual volumes are greater than 10% and less than or equal to 30% under forecast. 40% of the average NRC for the number of service units below the forecast when the actual volumes are greater than 30% and less than or equal to 40% under the forecast. 50% of the average NRC for the number of service units below the forecast when the actual volumes are over 40% under the forecast

APPENDIX J
POLE ATTACHMENT AGREEMENT

1. Parties.

This agreement (Agreement) is made by and between GTE South Incorporated, GTE North Incorporated with its address for purposes of this Agreement at 600 Hidden Ridge Drive, Irving, Texas 75038 ("GTE"), and US Xchange of Illinois, L.L.C.(Licensee), in its capacity as a certified provider of local dial-tone service, with its principal place of business at 20 Monroe N.W., Suite 450, Grand Rapids, Michigan 49503 (GTE and USX being referred to collectively as the "Parties" and individually as a "Party"). This Agreement covers services in the State of Illinois (the "State").

2. Definitions.

- 2.1 Attachment Fee - the fee assessed per pole and paid by Licensee to place Attachments on GTE's poles. Attachment fees are specified in Section 11 of this Agreement.
- 2.2 Attachments - the equipment reasonably required by Licensee to provide its Telecommunications Services that is placed on GTE's poles.
- 2.3 Business Day - Monday through Friday, except for holidays on which the U. S. Mail is not delivered.
- 2.4 GTE's Poles or GTE Pole(s) - any pole or poles solely owned by GTE, jointly owned by GTE and another entity, and space on poles obtained by GTE through arrangements with the owner(s) thereof.
- 2.5 Hazardous Materials - (i) any substance, material or waste now or hereafter defined or characterized as hazardous, extremely hazardous, toxic or dangerous within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any similar law, ordinance, statute, rule or regulation of any governmental body or authority; (ii) any substance, material or waste now or hereafter classified as a contaminant or pollutant under any law, ordinance, statute, rule or regulation of any governmental body or authority; or (iii) any other substance, material or waste, the manufacture, processing, distribution, use, treatment, storage, placement, disposal, removal or transportation of which is now or hereafter subject to regulation under any law, ordinance, statute, rule or regulation of any governmental body or authority.
- 2.6 Make-Ready Work - all work, including, but not limited to, rearrangement, removal, or transfer of existing attachments, placement, repair, or replacement of poles, or any other changes required to accommodate the Licensee's Attachments on a pole.
- 2.7 Pole Attachment Request (PAR) - a written request from Licensee to place its Attachments on GTE's Poles, submitted in accordance with Section 6 of this Agreement. For Agreements in effect prior to (date agreement is executed by the parties), the term PAR shall be deemed to include Pole Attachment requests made by letter or similar document.
- 2.8 Telecommunications Services - the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

3. Purpose.

3.1 Licensee represents to GTE that Licensee has a need to occupy, place and maintain Attachments on GTE's poles for the purpose of providing Telecommunications Services.

3.2 GTE agrees to permit Licensee to occupy, place and maintain its Attachments on such GTE poles as GTE may allow pursuant to the terms of this Agreement.

4. Grant of License.

GTE grants to Licensee and Licensee accepts from GTE a non-exclusive revocable license to occupy, place and maintain in a designated space on specified GTE poles Licensee's attachments on the terms and conditions set forth herein. Licensee shall have no further right, title, or other interest in connection with GTE's poles. GTE shall have the right to grant, renew or extend privileges to others not parties to this Agreement to occupy, place or maintain Attachments on or otherwise use any or all GTE poles. Nothing herein is intended to, nor should it be construed to require GTE to construct or modify any facilities not needed for its own service requirements. GTE grants this license in reliance on the representation of Licensee that Licensee intends to provide Telecommunications Services with the Attachments covered by this Agreement.

5. Term.

Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be two (2) years from the effective date referenced in the first paragraph of this Agreement and shall continue in effect for consecutive one (1) year terms until either Party gives the other Party at least ninety (90) calendar days written notice of termination, which termination shall be effective at the end of the then-current term. In the event notice is given less than ninety (90) calendar days prior to the end of the current term, this Agreement shall remain in effect for ninety (90) calendar days after such notice is received, provided, that in no case shall the term be extended beyond ninety (90) calendar days after the end of the current term.

6. Pole Attachment Requests (PARs).

6.1 Licensee shall submit a written Pole Attachment Request (PAR) as shown in Exhibit 1 to GTE identifying the GTE poles upon which it desires to place Attachments. Each PAR shall be in a form specified by GTE and may be revised from time to time by GTE. All PARs submitted to GTE shall be processed on a first come, first served basis. GTE, in its sole judgment, will determine the availability of space on the GTE pole(s) specified in the PAR and will provide its response to the PAR within thirty (30) Business Days of its submission. Upon approval of the PAR, GTE shall return one copy thereof to Licensee bearing an endorsement acknowledging GTE's authorization. All Attachments placed on GTE's poles pursuant to an approved PAR shall become subject to all of the terms and conditions of this Agreement. Licensee may submit subsequent PARs for approval by GTE as needed. GTE is under no obligation to provide general information respecting the location and availability of GTE poles, except as may be necessary to process a PAR. No Attachment shall be placed on any GTE pole identified in a PAR until that PAR has been approved by GTE.

6.2 Licensee shall pay GTE a fee for processing a PAR to compensate GTE for the general administrative costs as well as the actual engineering costs reasonably incurred. The fee for engineering costs shall be computed by multiplying the fully loaded hourly rate for an engineer times the number of hours reasonably required by each engineer to inspect the GTE poles included in the PAR. GTE will charge its then current rates for administrative and engineering costs, as may be changed from time to time by GTE to remain consistent with prevailing costs.

- 6.3 Upon receiving an approved PAR, Licensee shall have the right, subject to the terms of this License, to place and maintain the facilities described in the PAR in the space designated on the GTE poles identified therein.
- 6.4 In the event Make-Ready Work is necessary to accommodate Licensee's Attachments, GTE shall notify Licensee of such fact and provide Licensee with a good faith estimate of the total cost of such Make-Ready Work needed to accommodate Licensee's Attachments. Within fifteen (15) Business Days after receiving such notice from GTE, Licensee shall notify GTE either (1) that Licensee shall pay all of the costs actually incurred to perform the Make-Ready Work and shall pay the total estimated amount to GTE at least ten (10) Business Days prior to the date the Make-Ready Work is to begin or (2) that it desires to cancel its PAR.
- 6.5 GTE shall not be responsible to Licensee for any loss sustained by Licensee by reason of the refusal or failure of any other party with attachments on GTE's poles to rearrange or modify its attachments as may be required to accommodate Licensee's Facilities.
- 6.6 Licensee is not authorized and shall have no right to place facilities on any GTE pole unless that GTE pole is identified in an approved PAR.

7. Availability of Information Regarding Space on Poles.

GTE will provide information regarding the availability of pole space within thirty (30) Business Days of a written request by Licensee. Because GTE will endeavor to determine available space as quickly as possible, a shorter interval may be experienced for requests of a limited scope where physical field verification is not necessary. In the event the thirty (30) Business Day time frame cannot be met, GTE shall so advise Licensee and shall seek a mutually satisfactory alternative response date. No representation regarding the availability of space shall be made in the absence of a physical field verification.

8. Authority to Place Attachments.

- 8.1 Before Licensee places any Attachments on GTE's poles pursuant to an approved PAR, Licensee shall submit evidence satisfactory to GTE including but not limited to an affidavit of its authority to erect and maintain the facilities to be placed on GTE's poles within the public streets, highways and other thoroughfares or on private property. Licensee shall be solely responsible for obtaining all ROWs, easements, licenses, authorizations, permits and consents from federal, state and municipal authorities or private property owners that may be required to place Attachments on GTE's poles. In the event Licensee must obtain any additional easements, permits, approvals, licenses and/or authorizations from any governmental authority or private individual or entity in order to utilize GTE's poles under an approved PAR, GTE shall, upon Licensee's request, provide written confirmation of its consent to Licensee's utilization of poles in a particular location in accordance with this Agreement, if needed by Licensee to obtain such additional approvals or authorizations. GTE shall also provide maps or drawings of its facilities' locations to the extent reasonably required by such governmental authority or private individual or entity for purposes of considering or granting Licensee's request to it for authority or approval.
- 8.2 GTE shall not unreasonably intervene in or attempt to delay the granting of any ROWs, easements, licenses, authorizations, permits and consents from federal, state or municipal authorities or private property owners that may be required for Licensee to place its Attachments on GTE's poles.
- 8.3 If any ROW, easement, license, authorization, permit or consent obtained by Licensee is subsequently revoked or denied for any reason, Licensee's permission to attach to GTE's poles shall terminate immediately and Licensee shall promptly remove its Attachments. Should Licensee fail to remove its Attachments within sixty (60) calendar days of receiving

notice to do so from GTE, GTE shall have the option to remove all such Attachments and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby. All costs incurred by GTE to remove Licensee's Attachments shall be reimbursed to GTE by Licensee upon demand.

- 8.4 Upon notice from GTE to Licensee that the cessation of the use of any one or more of GTE's poles is necessary for reasons of safety or has been directed by any federal, state or municipal authority, or private property owner, permission to attach to such pole or poles shall terminate immediately and Licensee promptly shall remove its Attachments. Should Licensee fail to remove its Attachments within the time frame provided by the requesting or directing party or one hundred twenty (120) days of receiving notice to do so from GTE, whichever is less, GTE shall have the option to remove all such Attachments and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby. All costs incurred by GTE to remove Licensee's Attachments shall be reimbursed to GTE by Licensee upon demand by GTE.

9. Placement of Attachments.

- 9.1 Licensee shall, at its own expense, place and maintain its Attachments on GTE's poles in accordance with (i) such requirements and specifications as GTE shall from time to time prescribe in writing, (ii) all rules or orders now in effect or that hereafter may be issued by any regulatory agency or other authority having jurisdiction, and (iii) all currently applicable requirements and specifications of the National Electrical Safety Code, and the applicable rules and regulations of the Occupational Safety and Health Act. Licensee agrees to comply, at its sole risk and expense, with all specifications included hereto, as may be revised from time to time by GTE.
- 9.2 Licensee's Facilities shall be tagged at maximum intervals of 300 feet so as to identify Licensee as the owner of the Facilities. The tags shall be of sufficient size and lettering so as to be easily read from ground level.

10. Failure of Licensee to Place Attachments.

Once Licensee has obtained an approved PAR, Licensee shall have sixty (60) calendar days from the date the PAR is approved to begin the placement of its Attachments on the GTE poles covered by the PAR. If Licensee has not begun placing its Attachments within that sixty (60) calendar day period, Licensee shall so advise GTE with a written explanation for the delay. If Licensee fails to advise GTE of its delay, with a written explanation therefor, or if Licensee fails to act in good faith by not making a bona fide effort to begin placing its Attachments within the sixty (60) calendar days prescribed by this Section, the previously approved PAR shall be deemed rescinded by GTE and Licensee shall have no further right to place Attachments pursuant to that PAR.

11. Attachment Fees.

- 11.1 Licensee shall pay to GTE an annual Attachment Fee, as specified in Exhibit 3 hereto, for each GTE pole upon which Licensee obtains authorization to place an Attachment. The Attachment Fee may be increased by GTE from time to time as permitted by law upon sixty (60) calendar days, or the appropriate number of days as prescribed by federal, state or local government authority, written notice to Licensee.
- 11.2 Attachment fees shall be billed in advance and become due and payable on the date a PAR is approved by GTE for all GTE poles identified in that PAR on a pro rata basis until the end of the calendar year and thereafter on an annual basis within thirty (30) calendar

days of the receipt of a statement from GTE specifying the fees to be paid. If any undisputed amount due on the billing statement is not received by GTE on the payment due date, GTE may charge, and Licensee agrees to pay, at GTE's option, interest on the past due balance at a rate equal to the lesser of the interest rates set forth in the applicable GTE/Contel state access tariffs or the GTOC/GSTC FCC No. 1 tariff, one and one-half percent (1½%) per month or the maximum nonusurious rate of interest under applicable law. Late payment charges shall be included on the next statement.

- 11.3 GTE shall maintain an inventory of the total number of GTE poles occupied by Licensee based upon the cumulative number of poles specified in all PARs approved by GTE. GTE may, at its option, conduct a physical inventories of Licensee's Attachments under this Section. At GTE's election, such physical inventories shall be conducted by GTE upon renegotiation of this Agreement or any subpart or appendix thereof, and a maximum of one time per calendar year thereafter. The costs incurred by GTE to conduct the physical inventory shall be reimbursed to GTE by the Licensee upon demand by GTE. It shall be Licensee's sole responsibility to notify GTE of any and all removals of Attachments from GTE's poles. Except as provided in Section 18 of this Agreement in connection with the termination of this Agreement, such notice shall be provided to GTE at least thirty (30) days prior to the removal of the Attachments. Each Notice of Removal shall be in a form specified by GTE and may be revised from time to time at GTE's sole discretion. Licensee shall remain liable for Attachment Fees until Licensee's Attachments have been physically removed from GTE's poles.

12. Modifications, Additions or Replacements to Existing Attachments.

- 12.1 Licensee shall not modify, add to or replace Facilities on any pre-existing Attachment without first notifying GTE in writing of the intended modification, addition or replacement at least thirty (30) calendar days prior to the date the activity is scheduled to begin. The required notification shall include: (1) the date the activity is scheduled to begin, (2) a description of the planned modification, addition or replacement, (3) a representation that the modification, addition or replacement will not require any space other than the space previously designated for Licensee's Attachments, and (4) a representation that the modification, addition or replacement will not impair the structural integrity of the Poles involved and (5) a representation that the modification, addition or replacement will not impact other Licensee's attachments.
- 12.2 Should GTE determine that the modification, addition or replacement specified by Licensee in its notice will require more space than that allocated to Licensee or will require the reinforcement of, replacement of or an addition of support equipment to the poles involved in order to accommodate Licensee's modification, addition or replacement, GTE will so notify Licensee, whereupon Licensee will be required to submit a PAR in compliance with this Agreement in order to obtain authorization for the modification, addition or replacement of its Attachments.
- 12.3 Access to GTE's poles for repairs, modifications, additions, or replacements required in emergency situations shall be governed by Section 22 of this Agreement.
- 12.4 Should Licensee request GTE to expand capacity or purchase additional plant, Licensee agrees to pay all costs.

13. Rearrangements to Accommodate Other Licensees.

Licensee acknowledges that at some point in the future it may become necessary to rearrange Licensee's Facilities in order to create space to accommodate the facilities of another licensee. Licensee agrees that in such event Licensee will cooperate in good faith with such other licensee to come to a mutually agreeable understanding regarding the manner in which the rearrangement of Licensee's Facilities will be achieved.

14. Unauthorized Attachments.

- 14.1 The parties agree that because it would be impracticable and extremely difficult to determine the actual amount of damages resulting from Licensee's unauthorized Attachment(s), a charge equal to five (5) times the amount of the then current Attachment Fee shall be paid by Licensee to GTE for each unauthorized Attachment to a GTE pole. Such payment shall be deemed liquidated damages and not a penalty. Licensee also shall pay GTE an Attachment Fee for each unauthorized Attachment accruing from the date the unauthorized Attachment was first placed on the GTE pole. In the event that the date the unauthorized Attachment was first placed on a GTE pole cannot be determined, such date shall be deemed the date of the last physical inventory made in accordance with this Agreement or, if no physical inventory has been conducted, the date the first PAR from Licensee was approved in accordance with this Agreement. Licensee also shall pay to GTE all costs incurred by GTE to rearrange any unauthorized attachment(s) of Licensee if such rearrangement is required to safeguard GTE's attachment(s) or to accommodate the attachment(s) of another party whose attachment(s) would not have required a rearrangement but for the presence of Licensee's unauthorized attachment(s). Licensee shall also pay to GTE all costs incurred by GTE to reinforce, replace or modify any GTE pole, which reinforcement, replacement or modification was required as a result of the unauthorized Attachment of Licensee. The Attachment Fee referenced in this subsection 14.1 shall be determined in the same manner as such fee would have been determined if the attachment had been authorized by GTE.
- 14.2 Once GTE has notified Licensee of an unauthorized attachment, the Licensee can submit a PAR to request an authorized attachment. A PAR submitted per this provision will be treated like any other PAR subject to this Agreement. Licensee will be responsible for all fees associated with a PAR (as identified in this agreement). If a PAR is not received by GTE within ten (10) Business Days of Licensee's receipt of an unauthorized Attachment notification, then Licensee has sixty (60) calendar days from the date of its receipt of the initial unauthorized Attachment notification to vacate the unauthorized attachment.
- 14.3 For purposes of this section, an unauthorized Attachment shall include, but not be limited to:
- 14.3.1 An Attachment to a GTE pole which pole is not identified in any PAR approved in accordance with this Agreement;
 - 14.3.2 An Attachment that occupies more space than that allocated to Licensee by GTE;
 - 14.3.3 An Attachment that is not placed in accordance with the provisions of this Agreement or the appropriate PAR issued pursuant to this Agreement;
 - 14.3.4 An addition or modification by Licensee to its pre-existing Attachment(s) that impairs the structural integrity of the involved GTE pole(s) or other GTE facilities or those of other licensees.
 - 14.3.5 An Attachment that consists of facilities owned or controlled by, and for the use of a party other than Licensee.

15. Surveys and Inspections of Pole Attachments.

- 15.1 Upon written notice to Licensee, the total number and exact location of Licensee's Attachments on GTE's poles may be determined, at GTE's discretion, through a survey to be made not more than once per calendar year by GTE. If so requested, Licensee and/or any other entity owning or jointly owning the poles with GTE may participate in the survey.

The costs incurred by GTE to conduct the survey shall be reimbursed to GTE by Licensee upon demand by GTE. If the Attachments of more than one Licensee are surveyed, each such Licensee shall contribute a proportionate share of the costs reimbursed to GTE.

- 15.2 Apart from surveys conducted in accordance with this section, GTE shall have the right to inspect any Attachment of Licensee on GTE's poles as conditions may warrant upon thirty (30) calendar days written notice to Licensee. Licensee shall, upon demand by GTE, reimburse GTE all costs incurred to conduct its inspection. No joint survey or inspection, or lack thereof, by GTE shall operate to relieve Licensee of any responsibility, obligation or liability assumed under this Agreement.

16. Notice of Modification or Alteration of Poles by GTE.

- 16.1 In the event GTE plans to modify or alter any GTE pole(s) upon which Licensee has Attachments, GTE shall provide Licensee notice of the proposed modification or alteration at least thirty (30) calendar days prior to the time the proposed modification or alteration is scheduled to take place. Should Licensee decide to simultaneously modify or alter its Attachments on the GTE poles to be modified or altered by GTE, Licensee shall so notify GTE in writing at least fifteen (15) calendar days prior to when work is to begin. In such event, Licensee shall bear a proportionate share of the total costs incurred by GTE to make such poles accessible to Licensee.
- 16.2 In the event GTE is required by a federal, state, or local authority or for any other reason beyond GTE's control (e.g., normal deterioration to move, replace or change the location of any GTE pole(s), Licensee shall concurrently relocate Licensee's Attachments. GTE and each Licensee required to relocate its Attachments shall bear its own costs for such relocation.

17. Disclaimer of Warranties.

EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, GTE MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR a PARTICULAR PURPOSE.

18. Default and Remedies.

- 18.1 The occurrence of any one of the following shall be deemed a "Material Default" by Licensee under this Agreement:
- 18.1.1 Failure by Licensee to pay any fee or other sum required to be paid under the terms of this Agreement and such default continues for a period of thirty (30) calendar days after written notice thereof to Licensee;
- 18.1.2 Failure by Licensee to perform or observe any other term, condition, covenant, obligation or provision of this Agreement and such default continues for a period of thirty (30) calendar days after written notice thereof from GTE (provided that if such default is not curable within such thirty (30) calendar day period, the period will be extended if Licensee commences to cure such default within such thirty (30) day period and proceeds diligently thereafter to effect such cure);
- 18.1.3 The filing of any tax or mechanic's lien against GTE's poles which is not bonded or discharged within thirty (30) days of the date Licensee receives notice that such lien has been filed;
- 18.1.4 Licensee's voluntary or involuntary bankruptcy;

- 18.1.5 Licensee's knowing use or maintenance of its Attachments in violation of any law or regulation, or in aid of any unlawful act or undertaking;
 - 18.1.6 The denial or revocation of any authorization which may be required of the Licensee by any governmental or private authority for the placement, operation or maintenance of Licensee's Attachments is denied or revoked.
 - 18.2 In the event of a Material Default, GTE, without any further notice to the Licensee (except where expressly provided for below or required by applicable law) may do any one or more of the following:
 - 18.2.1 Perform, on behalf and at the expense of Licensee, any obligation of Licensee under this Agreement which Licensee has failed to perform and of which GTE shall have given Licensee notice, the cost of which performance shall be paid by Licensee to GTE upon demand;
 - 18.2.2 Terminate this Agreement by giving notice of such termination to Licensee and upon sixty (60) calendar days written notice, remove Licensee's Attachments and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby; or
 - 18.2.3 Exercise any other legal or equitable right or remedy which GTE may have.
 - 18.3 Any costs and expenses incurred by GTE (including, without limitation, reasonable attorneys' fees) in enforcing this Agreement shall be repaid to GTE by Licensee upon demand.
 - 18.4 Upon termination of this Agreement by GTE because of a Material Default by Licensee, Licensee shall remain liable to GTE for any and all fees, other payments and damages which may be due or sustained prior to such termination, all reasonable costs, fees and expenses, including, without limitation, reasonable attorneys' fees incurred by GTE in pursuit of its remedies hereunder. In addition to and notwithstanding Section 14, the parties agree that because it would be impracticable and extremely difficult to determine the actual amount of damages, additional liquidated damages for termination because of Material Default shall be an amount equal to one full year of Pole Attachment fees.
 - 18.5 All rights and remedies of each party set forth in this Agreement shall be cumulative and none shall exclude any other right or remedy, now or hereafter allowed by or available under any statute, ordinance, rule of court, or the common law, either at law or in equity, or both.
19. Indemnification.
- 19.1 Licensee shall compensate GTE for the full actual loss, damage or destruction of GTE's property that in any way arises from or is related to this Agreement or activities undertaken pursuant to this Agreement (including, without limitation, the installation, construction, operation or maintenance of Licensee's Attachments).
 - 19.2 Licensee will further indemnify, defend and hold harmless GTE and GTE's agents, officers, employees and assigns, from any and all losses, damages, costs, expenses (including, without limitation, reasonable attorneys' fees), statutory fines or penalties, actions or claims for personal injury (including death), damage to property, or other damage or financial loss of whatever nature in any way arising out of or connected with this Agreement or activities undertaken pursuant to this Agreement (including, without limitation, the installation, construction, operation or maintenance of Licensee's Attachments). Licensee will further

indemnify GTE from subsequent taxes and fees that may be levied by municipalities or other governmental entities and related to or arising from the presence of Licensee's Attachments on GTE's Poles, including but not limited to taxes or fees related to use of public rights-of-way, in association with this Agreement. Such fees that are levied would be in addition to the Attachment Fees reflected in this Agreement. Licensee expressly assumes all liability for actions brought against GTE and GTE's agents, officers, employees and assigns, by Licensee's agents, officers or employees and Licensee expressly waives any immunity from the enforcement of this indemnification provision that might otherwise be provided by workers' compensation law or by other state or federal laws.

- 19.3 Without limiting any of the foregoing, Licensee assumes all risk of, and agrees to relieve GTE of any and all liability for, loss or damage (and the consequences of loss or damage) to any Attachments placed on GTE's poles and any other financial loss sustained by Licensee, whether caused by fire, extended coverage perils, or other casualty.
- 19.4 Without limiting the foregoing, Licensee expressly agrees to indemnify, defend and hold harmless GTE and GTE's agents, officers, employees and assigns from any and all claims asserted by customers of Licensee in any way arising out of or in connection with this Agreement or Licensee's Attachments.
- 19.5 Notwithstanding anything to the contrary in this Agreement, Licensee further shall indemnify and hold harmless GTE, its agents, officers, employees and assigns from and against any claims, liabilities, losses, damages, fines, penalties and costs (including, without limitation, reasonable attorneys' fees) whether foreseen or unforeseen, which the indemnified parties suffer or incur because of: (i) any discharge of Hazardous Materials resulting from acts or omissions of Licensee or the Licensee's predecessor in interest; (ii) acts or omissions of the Licensee, its agents, employees, contractors, representatives or predecessor in interest in connection with any cleanup required by law, or (iii) failure of Licensee or the Licensee's predecessor in interest to comply with environmental, safety and health laws.
- 19.6 In no event shall either party be liable to the other party for any special, consequential or indirect damages (including, without limitation, lost revenues and lost profits) arising out of this Agreement or any obligation arising hereunder, whether in an action for or arising out of breach of contract, tort or otherwise.
- 19.7 Licensee shall indemnify, protect and hold harmless GTE from and against any and all claims for libel and slander, copyright and/or patent infringement arising directly or indirectly by reason of attachment of Licensee's equipment on GTE's poles pursuant to this Agreement.

20. Insurance.

- 20.1 Licensee shall carry insurance, at its sole cost and expense, sufficient to cover its indemnification obligations as set forth in Section 19 of this Agreement. Such insurance shall include, but not be limited to, coverage against liability due to personal injury or death of persons in the amount of \$500,000 as to any one person and \$1,000,000 as to any one accident; coverage against liability due to property damage in the amount of \$500,000 as to each accident and \$500,000 aggregate; and coverage necessary to fully protect both it and GTE from all claims under any worker's compensation laws that may be applicable.
- 20.2 All insurance required of Licensee under this Agreement shall remain in force for the entire life of this Agreement. The company or companies issuing such insurance shall be approved by GTE and GTE shall be named as an additional insured in each such policy. Licensee shall submit to GTE certificates by each insurer to the effect that the insurer has insured Licensee for all potential liabilities of Licensee under this Agreement, and that it will

not cancel or change any policy of insurance issued to Licensee except upon thirty (30) calendar days notice to GTE. In the event Licensee's insurance coverage is to be canceled by reason of non-payment of premiums due, GTE shall have the option of paying any amount due and Licensee shall forthwith reimburse GTE the full amount paid by GTE.

- 20.3 Licensee shall promptly advise GTE in writing of any and all claims for damages, including, but not limited to, damage to property or injury to or death of persons, allegedly arising out of or in any manner related, directly or indirectly, to the presence or use of Licensee's Attachments.
- 20.4 Licensee shall furnish bond or satisfactory evidence of contractual insurance coverage, the terms of which shall be subject to GTE's approval, in the amount of ten thousand dollars (\$10,000) to guarantee the payment of any sums which may become due to GTE for rentals, inspections or for work performed by GTE for the benefit of Licensee under this Agreement, including the removal of Licensee's equipment pursuant to any of the provisions hereof. All bonds must specify that GTE be notified thirty (30) calendar days prior to the expiration or cancellation of the policy.

21. Taxes.

Any state or local excise, sales, or use taxes or other surcharges or fees (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes, surcharges or fees is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, surcharges or fees, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation as GTE requires that qualifies the obligated Party for a full or partial exemption. Any such taxes, surcharges or fees shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to exist on any asset of the other Party by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party. The other Party will indemnify the collecting Party from any such taxes, surcharges or fees that may be subsequently levied on payments by the other Party by the collecting Party.

22. Emergency Restoration Procedures.

In the event of an emergency, restoration procedures may be affected by the presence of Licensee's Attachments. While GTE shall not be responsible for the repair of Licensee's Attachments that are damaged (except by mutual written agreement), GTE shall nonetheless control access to its poles if the restoration is to be achieved in an orderly fashion. Licensee agrees to reimburse GTE for the cost of all labor, equipment, and/or materials furnished by GTE in support of any restoral operations from which Licensee is a beneficiary.

- 22.1 Where multiple parties are involved in emergency restorations, access to GTE's poles will be controlled by GTE's Maintenance District Manager or his/her on-site representative according to the following guidelines:

22.1.1 Service Disruptions/Outages

- a. In the event of service disruptions and/or outages, GTE shall make all reasonable efforts to grant access to as many other entities with Attachments as is reasonably safe.
- b. Where simultaneous access is not possible, access will be granted by GTE on a first come, first served basis.

22.1.2 Service Affecting Emergencies

- a. In the event of service affecting emergencies not resulting in service disruptions or outages, GTE shall make all reasonable efforts to grant access to as many other entities with Attachments as is reasonably safe.
- b. Where GTE is unable to grant simultaneous access to all other entities with Attachments, access will be granted according to the level of damage to the Attachments of each entity and the likelihood that a given level of damage will result in service disruption. Where the likelihood that a service disruption will result is not clearly discernible, access will be on a first come, first served basis.

22.2 Without limiting any other indemnification or hold harmless provisions of this Agreement, Licensee agrees that any decision by GTE regarding access to Attachments, or any action or failure to act by GTE, under this Section 22 shall not constitute a basis for any claim by Licensee against GTE for any damage to Licensee's Attachments or disruption of Licensee's services, or any other direct or indirect damages of any kind whatsoever incurred by Licensee.

23. Damage Suspected to Licensee's Facilities Only.

- 23.1 In the event Licensee receives information that Licensee's Attachments are damaged, Licensee shall notify GTE of said damage at a number to be provided later by GTE. This is a 24-hour, 7 days per week notification number. Licensee shall provide GTE all information known to it regarding the damage to Licensee's Attachments.
- 23.2 In the event GTE receives notice that Licensee's Attachments are damaged, GTE will notify Licensee of said damage by telephone at the Licensee's emergency telephone number. GTE shall provide Licensee all information known to it regarding the damage to Licensee's Attachments.
- 23.3 After the giving of such notice by either Licensee or GTE, Licensee shall be authorized to perform emergency restoration maintenance activities in connection with Licensee's Attachments, subject to the provisions of this Agreement.
- 23.4 Without limiting any other indemnification or hold harmless provisions of this Agreement, Licensee agrees that any decision by GTE regarding access to Licensee's Attachments, or any action or failure to act by GTE, appropriately or inappropriately, under this Section shall not be the basis for any claim by Licensee against GTE for any damage to Licensee's Attachments or disruption of Licensee's services, or any other direct or indirect damages of any kind whatsoever incurred by Licensee and Licensee shall indemnify and hold GTE harmless from any such claim.

24. Abandonment.

Nothing in this Agreement shall prevent or be construed to prevent GTE from abandoning, selling, assigning or otherwise disposing of any poles or other GTE property used for Licensee's Attachments; provided, however, that GTE shall condition any such sale, assignment or other disposition subject to the rights granted to Licensee pursuant to this Agreement. GTE shall promptly notify Licensee of any proposed sale, assignment or other disposition of any poles or other GTE property used for Licensee's Attachments.

25. Notices.

Any written notice to be given to a party to this Agreement shall be in writing and given or made by means of telegram, facsimile transmission, certified or registered mail, express mail or other

overnight delivery service, or hand delivery, proper postage or other charges prepaid, and addressed or directed to the respective parties as follows:

If to GTE:

GTE North Incorporated
GTE South Incorporated
Attention: Assistant Vice President/Associate
General Counsel
Business Development & Integration
600 Hidden Ridge - HQE03J43
Irving, TX 75038
Telephone number: 972/718-6361
Facsimile number: 972/718-3403

and

GTE North Incorporated
GTE South Incorporated
Attn: Director-Wholesale Contract Compliance
Network Services
600 Hidden Ridge - HQE03D52
Irving, TX 75038
Telephone Number: 972/718-5988
Facsimile Number: 972/719-1519

If to Licensee:

US Xchange of Illinois, L.L.C.
Attention: David J. Easter, V.P., Development
20 Monroe N.W.
Suite 450
Grand Rapids, Michigan 49503
Facsimile number: (616) 493-7007

Any notice given by personal delivery shall be deemed to have been given on the day of actual delivery and, if given by registered or certified mail, return receipt requested, on the date of receipt thereof and, if given by facsimile transmission, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next Business Day if not given during normal business hours.

26. Non-Waiver of Terms and Conditions.

No course of dealing, course of performance or failure to enforce any of term, right, condition or other provision of this Agreement shall constitute or be construed as a waiver of any term, right or condition or other provision of this Agreement.

27. Confidential Information.

27.1 Identification. Either party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other Party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure.

27.2 Handling. In order to protect such Confidential Information from improper disclosure, each Party agrees:

- 27.2.1 That all Confidential Information shall be and shall remain the exclusive property of the source;
 - 27.2.2 To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
 - 27.2.3 To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
 - 27.2.4 Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
 - 27.2.5 To return promptly any copies of such Confidential Information to the source at its request; and
 - 27.2.6 To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the Parties in writing.
- 27.3 Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.
- 27.4 Survival. The obligation of confidentiality and use with respect to Confidential Information disclosed by one party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.
28. Dispute Resolution.
- 28.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures as the sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.
- 28.2 Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and

correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

- 28.3 Arbitration. If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.
- 28.4 Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 28.2 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).
- 28.5 Costs. Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the costs of production of documents (including search time and reproduction costs). The Parties shall equally split the fees of the arbitration and the arbitrator.
- 28.6 Continuous Service. The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations in accordance with this Agreement.
29. Compliance With Laws and Regulations.
- Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.
30. Force Majeure.
- In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or likes acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes,

slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); *provided however*, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease.

31. Assignment.

Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.

32. Applicable Law.

This Agreement shall be governed by and construed in accordance with the domestic laws of the state where the Services are provided or the facilities reside and shall be subject to the exclusive jurisdiction of the courts therein.

33. Subsequent Law.

The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority. To the extent required by any such subsequently prescribed law, rule, or regulation, the Parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation.

34. Headings.

The headings in this Agreement are inserted for convenience and identification only and shall not be considered in the interpretation of this Agreement.

35. Entire Agreement.

This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their authorized representatives.

For GTE _____ INCORPORATED

For LICENSEE:

(Signature of Authorized Agent)

(Signature of Officer)

(Printed Name of Authorized Agent)

(Printed Name of Officer)

(Title)

(Title)

(Date)

(Date)

ATTEST:

Corporate Seal (If Applicable)

EXHIBIT 1
POLE ATTACHMENT REQUEST
(FOR FUTURE USE)

EXHIBIT 2
SPECIFICATION DOCUMENTS
(FOR FUTURE USE)

EXHIBIT 3

ATTACHMENT FEES

For USX: \$2.49 per attachment per year

APPENDIX K
CONDUIT OCCUPANCY AGREEMENT

1. Parties.

This agreement (Agreement) is made by and between GTE South Incorporated, GTE North Incorporated with its address for purposes of this Agreement at 600 Hidden Ridge Drive, Irving, Texas 75038 ("GTE"), and US Xchange of Illinois, L.L.C.(Licensee), in its capacity as a certified provider of local dial-tone service, with its principal place of business at 20 Monroe N.W., Suite 450, Grand Rapids, Michigan 49503 (GTE and USX being referred to collectively as the "Parties" and individually as a "Party"). This Agreement covers services in the State of Illinois (the "State").

2. Definitions.

- 2.1 Business Day - Monday through Friday, except for holidays on which the U. S. Mail is not delivered.
- 2.2 Conduit Occupancy Request (COR) - a written request from Licensee to occupy GTE's Conduit Innerduct system with its Facilities, submitted in accordance with Section 6 of this Agreement. For Agreements in effect prior to the (date this agreement is executed by the parties), the term COR shall be deemed to include Conduit occupancy requests made by letter or similar document.
- 2.3 Duct - a single enclosed path used to house innerduct.
- 2.4 Facilities - all facilities, including, but not limited to, cables, equipment and associated hardware, owned and utilized by the Licensee which occupy an Innerduct or Duct.
- 2.5 GTE's conduit(s) or GTE conduit(s) - any reinforced passage or opening in, on, under, over or through the ground capable of containing communications facilities.
- 2.6 Hazardous Materials - (i) any substance, material or waste now or hereafter defined or characterized as hazardous, extremely hazardous, toxic or dangerous within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any similar law, ordinance, statute, rule or regulation of any governmental body or authority; (ii) any substance, material or waste now or hereafter classified as a contaminant or pollutant under any law, ordinance, statute, rule or regulation of any governmental body or authority; or (iii) any other substance, material or waste, the manufacture, processing, distribution, use, treatment, storage, placement, disposal, removal or transportation of which is now or hereafter subject to regulation under any law, ordinance, statute, rule or regulation of any governmental body or authority.
- 2.7 Innerduct - unless otherwise specified or approved by GTE, a single enclosed raceway 1" or 1-1/4" in diameter, placed within duct and used for housing communications facilities.
- 2.8 Make-Ready Work - all work, including, but not limited to, rearrangement, removal, or transfer of existing facilities, placement, repair, or replacement of duct or innerduct, or any other changes required to accommodate the Licensee's Facilities in a conduit.
- 2.9 Manholes and Handholes - subsurface enclosures which personnel may enter and use for the purpose of installing, operating and maintaining communications facilities.

- 2.10 Occupancy Fee - the fee paid by Licensee to GTE per linear foot for each innerduct occupied by Licensee's Facilities in GTE's Conduit(s). Occupancy Fees are specified in Section 12.
- 2.11 Telecommunications Services - the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

3. Purpose.

Licensee represents to GTE that Licensee has a need to occupy, place and maintain communications facilities within GTE's conduit(s) for the purpose of providing Telecommunications Service. GTE agrees to permit Licensee to occupy, place and maintain communications facilities within GTE's conduit(s) as GTE may allow pursuant to the terms of this Agreement.

4. Grant of License.

GTE grants to Licensee and Licensee accepts from GTE a non-exclusive revocable license to occupy, place and maintain in a designated space in specified GTE conduits Licensee's Facilities on the terms and conditions set forth herein. Licensee shall have no further right, title, or other interest in connection with GTE's conduit(s). GTE shall have the right to grant, renew or extend privileges to others not parties to this Agreement to occupy, place and maintain facilities in or otherwise use any or all of GTE's conduit(s). Nothing herein is intended to, nor should it be construed to require GTE to construct or modify any facilities not needed for its own service requirements. GTE grants this license in reliance on the representation of Licensee that Licensee intends to provide Telecommunications Service with Licensee's Facilities covered by this Agreement.

5. Term.

Subject to the termination provisions contained in this Agreement, the term of this Agreement shall be two (2) years from the effective date referenced in the first paragraph of this Agreement and shall continue in effect for consecutive one (1) year terms until either Party gives the other Party at least ninety (90) calendar days written notice of termination, which termination shall be effective at the end of the then-current term. In the event notice is given less than ninety (90) calendar days prior to the end of the current term, this Agreement shall remain in effect for ninety (90) calendar days after such notice is received, provided, that in no case shall the term be extended beyond ninety (90) calendar days after the end of the current term.

6. Conduit Occupancy Requests.

- 6.1 Upon execution of this Agreement, Licensee shall have the right to submit a written Conduit Occupancy Request (COR) as shown in Exhibit 1, to GTE specifying the GTE conduits in which it desires to place its Facilities and whether the facilities are for Telecommunications Services. Each COR shall be in a form specified by GTE, which form may be revised from time to time by GTE. CORs received by GTE shall be processed on a first come, first served basis. GTE will determine the availability of space for Licensee's Facilities in the GTE conduit(s) specified in the COR within thirty (30) Business Days of its submission. Upon approval of the COR, GTE shall return a copy thereof to Licensee bearing an endorsement acknowledging GTE's authorization. All of Licensee's Facilities placed in GTE's conduit(s) pursuant to an approved COR shall become subject to all of the terms and conditions of this Agreement. Licensee may submit subsequent CORs for approval by GTE as needed. All of Licensee's Facilities shall be placed in innerduct unless otherwise approved by GTE. No facilities of any kind shall be placed in any GTE conduit(s) identified in a COR until that COR has been approved by GTE.

- 6.2 Licensee shall pay GTE a fee for processing a COR to compensate GTE for the general administrative costs as well as the actual engineering costs reasonably incurred. The fee for engineering costs shall be computed by multiplying the fully loaded hourly rate for an engineer times the number of hours reasonably required by each engineer to inspect the GTE conduits included in the COR. GTE will charge its then current rates for administrative and engineering costs, as may be changed from time to time by GTE to remain consistent with prevailing costs.
- 6.3 Upon receiving an approved COR, Licensee shall have the right, subject to the terms of this Agreement, to place and maintain Licensee's Facilities described in the COR in the innerducts of the GTE conduit(s) identified therein.
- 6.4 In the event Make-Ready Work is necessary to accommodate Licensee's Facilities, GTE shall notify Licensee of such fact and provide Licensee with an estimate of the total cost of such Make-Ready Work. Within fifteen (15) Business Days after receiving such notice from GTE, Licensee shall notify GTE either (1) that Licensee shall pay all of the costs actually incurred to perform the Make-Ready Work and shall pay the total estimated amount to GTE at least ten (10) Business Days prior to the date the Make-Ready Work is to begin or (2) that it desires to cancel its COR. Upon completion of the Make-Ready Work any outstanding balance due to GTE or credit due to the Licensee will be billed within ten (10) Business Days.
- 6.5 Nothing herein shall confer any right upon Licensee to place power cables or related power equipment in GTE conduit(s) or Manholes. Licensee shall place equipment of this nature in its own pull boxes outside of GTE's Conduit(s) or Manholes. Cable connectors or splicing devices shall not be used by Licensee in GTE's conduit(s) or innerducts.

7. Availability of Conduit Maps.

Existing conduit maps will be made available for viewing by Licensee for the purpose of pre-order planning at the GTE area engineering offices during normal business hours, subject to reasonable advance notification. While a formal written request will not be required in connection with the first request by Licensee to view conduit maps, GTE reserves the right to refuse any subsequent viewing request or require written justification for the request if Licensee has demonstrated that it does not have a good faith intention to submit a COR. If the availability of specific point-to-point conduits can be determined at the time of viewing conduit maps, maps reflecting such point-to-point conduits may be made available for copying. Licensee shall pay to GTE a fee for making such copies available sufficient to cover the general administrative costs incurred. IN MAKING CONDUIT MAPS AVAILABLE, GTE WILL BE MAKING NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND, INCLUDING LIMITATION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ACCURACY, OTHER THAN THAT THEY ARE THE SAME CONDUIT MAPS USED BY GTE IN ITS DAY-TO-DAY OPERATIONS.

8. Availability of Information Regarding Space In Conduits.

GTE will provide information regarding the availability of conduit space within thirty (30) Business Days of a written request by Licensee. Because GTE will endeavor to determine available space as quickly as possible, a shorter interval may be experienced for requests of a limited scope where GTE determines in its sole discretion that physical field verification is not necessary. In the event the thirty (30) Business Day time frame cannot be met, GTE shall so advise Licensee and shall seek a mutually satisfactory alternative response date. Subject to the exemption stated above, no representation regarding the availability of space shall be made or accepted in the absence of a physical field verification.

9. Authority to Place Licensee's Facilities.

- 9.1 Before Licensee places any of Licensee's Facilities in GTE's conduit(s) pursuant to an approved COR, Licensee, upon request, shall submit evidence satisfactory to GTE, including but not limited to an affidavit, to GTE of its authority to maintain the Facilities to be placed in GTE's conduit(s) within the public streets, highways and other thoroughfares or on private property. Licensee shall be solely responsible for obtaining all licenses, authorizations, permits and consents from federal, state and municipal authorities or private property owners that may be required to place and maintain Licensee's Facilities in GTE's conduit(s).
- 9.2 GTE shall not attempt to prevent or delay the granting of any ROW, easements, licenses, authorizations, permits and consents from any federal, state or municipal authorities, or private property owners that may be required by Licensee to place Licensee's Facilities in GTE's conduit(s).
- 9.3 If any ROW, easement, license, authorization, permit or consent obtained by Licensee is subsequently revoked or denied for any reason, Licensee's permission to occupy GTE's conduit(s) shall terminate immediately and Licensee shall promptly remove Licensee's Facilities. Should Licensee fail to remove Licensee's Facilities within sixty (60) calendar days of receiving notice to do so from GTE, GTE shall have the option to remove Licensee's Facilities and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby. All costs incurred by GTE to remove Licensee's Facilities shall be reimbursed to GTE by Licensee upon demand.
- 9.4 Upon notice from GTE to Licensee that the cessation of the use of any portion of GTE's conduit(s) has been ordered or directed by any federal, state or municipal authority, or private property owner, Licensee's permission to occupy such GTE conduit(s) shall terminate immediately and Licensee promptly shall remove Licensee's Facilities. Should Licensee fail to remove Licensee's Facilities within sixty (60) calendar days of receiving notice to do so from GTE, GTE shall have the option to remove Licensee's Facilities and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby. All costs incurred by GTE to remove Licensee's Facilities shall be reimbursed to GTE by Licensee upon demand by GTE.

10. Placement of Licensee's Facilities.

- 10.1 Licensee shall, at its sole expense, place and maintain Licensee's Facilities in GTE's conduit(s) in accordance with (i) such requirements and specifications as GTE shall from time to time prescribe in writing, (ii) all rules or orders now in effect or that hereafter may be issued by any regulatory agency or other authority having jurisdiction, and (iii) all currently applicable requirements and specifications of the National Electrical Safety Code, and the applicable rules and regulations of the Occupational Safety And Health Act. Licensee agrees to comply, at its sole risk and expense, with all specifications included in Exhibit 2 hereto, as may be revised from time to time by GTE.
- 10.2 Licensee's Facilities shall be tagged at each manhole so as to identify Licensee as the owner of the Facilities. The tags shall be of sufficient size and lettering so as to be easily read.

11. Failure of Licensee to Occupy Conduit Space.

Upon approval of a COR, Licensee shall have sixty (60) calendar days in which to begin the placement of Licensee's Facilities in the GTE conduit(s) covered by the COR. If Licensee has not begun placing its Facilities within that sixty (60) calendar day period, Licensee shall so advise GTE with a written explanation for the delay. If Licensee fails to advise GTE of its delay, with a written explanation therefor, or if Licensee fails to act in good faith by not making a bona fide effort to begin placing its Facilities within the sixty (60) calendar days prescribed by this Section, the previously approved COR shall be deemed rescinded by GTE and Licensee shall have no further right to place Licensee's Facilities pursuant to that COR.

12. Occupancy Fees.

- 12.1 Licensee shall pay to GTE an annual Occupancy Fee, as specified in Exhibit 3 hereto, for each linear foot of facilities placed in innerduct occupied by Licensee's Facilities in GTE's conduit(s). If Licensee's Facilities occupy more than one innerduct, a separate Occupancy Fee shall be paid by Licensee for each innerduct occupied. The Occupancy Fee specified in Exhibit 3 hereto is the fee applicable to 1" or 1-1/4" diameter innerduct. GTE reserves the right to charge a higher fee for innerduct of greater diameter. The Occupancy Fee may be increased by GTE from time to time as permitted by law upon sixty (60) calendar days, or the appropriate number of days prescribed by federal, state or local government authority days written notice to Licensee.
- 12.2 Occupancy Fees shall be billed in advance and become due and payable on the date a COR is approved by GTE for all GTE Innerducts identified in that COR on a pro rata basis until the end of the calendar year and thereafter on an annual basis within thirty (30) calendar days of the receipt of a statement from GTE specifying the fees to be paid. If any undisputed amount due on the billing statement is not received by GTE on the payment due date, GTE may charge, and Licensee agrees to pay, at GTE's option, interest on the past due balance at a rate equal to the lesser of the interest rates set forth in the applicable GTE/Contel state access tariffs or the GTOC/GSTC FCC No. 1 tariff, one and one-half percent (1½%) per month or the maximum nonusurious rate of interest under applicable law. Late payment charges shall be included on the next statement.
- 12.3 GTE shall maintain an inventory of the total linear footage of innerduct occupied by Licensee's Facilities in GTE's conduit(s) based upon the cumulative linear footage per Innerduct and/or Duct from all CORs approved by GTE. GTE may, at its option, conduct a physical inventory of Licensee's Facilities for purposes of determining the Occupancy Fees to be paid by Licensee under this section. At GTE's election, such physical inventories shall be conducted upon renegotiation of this Agreement or any subpart or appendix thereof, and a maximum of one time per calendar year thereafter. The costs incurred by GTE to conduct the physical inventory shall be reimbursed to GTE by the Licensee upon demand by GTE. It shall be Licensee's sole responsibility to notify GTE of any and all removals of Licensee's Facilities from GTE's conduit(s). Written notice of such removals (unless they are covered by Section 18 of this Agreement) shall be provided to GTE at least thirty (30) days prior to the removal. Each Notice of Removal shall be in a form specified by GTE. Licensee shall remain liable for all Occupancy Fees until Licensee's Facilities have been physically removed from GTE's conduits.
- 12.4 In addition to the occupancy fees above, if at any time the licensee is allowed by GTE to enter a manhole through means other than GTE's existing conduit or ducts, an annual charge per foot of facilities placed within the manhole system will apply as well as any previously identified make-ready charges.

13. Modifications, Additions or Replacements of Licensee's Facilities.

- 13.1 Licensee shall not modify, add to or replace Licensee's Facilities in any GTE conduit(s) without first notifying GTE in writing of the intended modification, addition or replacement at least thirty (30) calendar days prior to the date the activity is scheduled to begin. The required notification shall include: (1) the date the activity is scheduled to begin, (2) a description of the planned modification, addition or replacement, (3) a representation that the modification, addition or replacement will not require any space other than the space previously designated for Licensee's Facilities, and (4) a representation that the modification, addition or replacement will not impair the structural integrity of the GTE Conduit(s) involved and (5) a representation that the modification, addition, or replacement will not impact other Licensee's facilities.
- 13.2 Should GTE determine that the modification, addition or replacement specified by Licensee in its notice will require more space than that allocated to Licensee or will require any modification, replacement or reinforcement of the GTE conduit(s) involved in order to accommodate Licensee's modification, addition or replacement, GTE will so notify Licensee, whereupon Licensee shall be required to submit a COR in compliance with this Agreement in order to obtain authorization for the modification, addition or replacement of Licensee's Facilities.
- 13.3 Access to GTE's conduit(s) for repairs, modifications, additions, or replacements required in emergency situations shall be governed by the provisions of Section 22 of this Agreement.

14. Unauthorized Occupancy of GTE Conduit.

- 14.1 The parties agree that, because it would be impracticable and extremely difficult to determine the amount of actual damages resulting from Licensee's unauthorized occupancy, a charge equal to five (5) times the amount of the then current Occupancy Fee shall be paid by Licensee to GTE for each unauthorized occupancy of GTE's conduit(s) by Licensee. Such payment shall be deemed liquidated damages and not a penalty. Licensee also shall pay GTE an Occupancy Fee for each unauthorized occupancy accruing from the date the unauthorized occupancy first began. In the event that the date the unauthorized occupancy first began cannot be determined, such date shall be deemed the date of the last physical inventory made in accordance with this Agreement or, if no physical inventory has been conducted, the date the first COR from Licensee was approved in accordance with this Agreement. Licensee also shall pay to GTE all costs incurred by GTE to rearrange Licensee's Facilities that are unauthorized if such rearrangement is required to safeguard GTE's facilities or to accommodate the facilities of another party whose facilities would not have required a rearrangement but for the presence of Licensee's unauthorized facilities. Licensee also shall pay to GTE all costs incurred by GTE to reinforce, replace or modify any GTE conduit(s), which reinforcement, replacement or modification is required as a result of the unauthorized occupancy by Licensee. The Occupancy Fee referenced in this subsection 14.1 shall be determined in the same manner as such a fee would have been determined if the occupancy had been authorized by GTE.
- 14.2 Once GTE has notified Licensee of an unauthorized Occupancy, the Licensee can submit a COR to request an authorized Occupancy. A COR submitted per this provision will be treated like any other COR subject to this agreement. Licensee will be responsible for all fees associated with a COR (as identified in this agreement). If a COR is not received by GTE within ten (10) Business Days of Licensee's receipt of an unauthorized Occupancy notification, then Licensee has sixty (60) calendar days from the date of its receipt of the initial unauthorized Occupancy notification to vacate the unauthorized Occupancy.

- 14.3 For purposes of this section, an unauthorized occupancy shall include, but not be limited to:
- 14.3.1 The presence of Licensee's Facilities in any GTE conduit which conduit is not identified in any COR approved in accordance with this Agreement;
 - 14.3.2 The presence of Licensee's Facilities in any GTE conduit that occupies more space than that allocated to Licensee by GTE;
 - 14.3.3 Licensee's Facilities that are not placed in accordance with the provisions of this Agreement or the appropriate COR issued pursuant to this Agreement;
 - 14.3.4 An addition or modification by Licensee to its pre-existing Facilities in any GTE conduit that impairs the structural integrity of that GTE conduit or GTE facilities or those of other licensees.
 - 14.3.5 The presence of facilities in GTE's conduit(s) placed by Licensee that are owned or controlled by and for the use of a party other than Licensee.

15. Surveys and Inspections of Facilities.

- 15.1 Upon written notice to Licensee, the total number and exact location of Licensee's Facilities in GTE's Conduit(s) may be determined, at GTE's discretion, through a survey to be made not more than once per calendar year by GTE. If so requested, Licensee and/or any other entity owning or jointly owning the Conduit with GTE may participate in the survey. The costs incurred by GTE to conduct the survey shall be reimbursed to GTE by Licensee upon demand by GTE. If the facilities of more than one Licensee are surveyed, each such Licensee shall contribute a proportionate share of the costs reimbursed to GTE.
- 15.1.1 Apart from surveys conducted in accordance with this section, GTE shall have the right to inspect any facility of Licensee on GTE's Conduit(s) as conditions may warrant upon thirty (30) calendar days written notice to Licensee. Licensee shall, upon demand by GTE, reimburse GTE all costs incurred to conduct its inspection. No joint survey or inspection, or lack thereof, by GTE shall operate to relieve Licensee of any responsibility, obligation or liability assumed under this Agreement.

16. Modification or Alteration GTE Conduits.

- 16.1 In the event GTE plans to modify or alter any GTE conduit(s) that house Licensee's Facilities, GTE shall provide Licensee notice of the proposed modification or alteration at least thirty (30) calendar days prior to the time the proposed modification or alteration is scheduled to take place. Should Licensee decide to simultaneously modify or alter Licensee's Facilities in the GTE conduit(s) to be modified or altered by GTE, Licensee shall so notify GTE in writing at least 15 calendar days prior to when the work is to begin. In such event, Licensee shall bear a proportionate share of the total costs incurred by GTE to make the GTE conduit(s) accessible. Licensee's proportionate share of the total cost shall be based on the ratio of the amount of new space occupied by Licensee to the total amount of new space occupied by all of the parties joining in the modification.
- 16.2 In the event GTE moves, replaces or changes the location, alignment or grade of GTE's conduit(s) ("relocation") for reasons beyond GTE's control, Licensee concurrently shall relocate Licensee's Facilities. Licensee shall be solely responsible for the costs of the relocation of Licensee's Facilities.

17. Disclaimer of Warranties.

EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, GTE MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

18. Default and Remedies.

18.1 The occurrence of any one of the following shall be deemed a "Material Default" by Licensee under this Agreement:

- 18.1.1 Failure by Licensee to pay any fee or other sum required to be paid under the terms of this Agreement and such default continues for a period of thirty (30) calendar days after written notice thereof to Licensee;
- 18.1.2 Failure by Licensee to perform or observe any other term, condition, covenant, obligation or provision of this Agreement and such default continues for a period of thirty (30) calendar days after written notice thereof from GTE (provided that if such default is not curable within such thirty (30) day period, the period will be extended if Licensee commences to cure such default within such thirty (30) calendar day period and proceeds diligently thereafter to effect such cure);
- 18.1.3 The filing of any tax or mechanic's lien against any GTE conduit(s) which is not bonded or discharged within thirty (30) calendar days of the date Licensee receives notice that such lien has been filed;
- 18.1.4 Licensee's voluntary or involuntary bankruptcy;
- 18.1.5 Licensee's knowing use or maintenance of Licensee's Facilities in violation of any law or regulation, or in aid of any unlawful act or undertaking;
- 18.1.6 The denial or revocation of any authorization which may be required of the Licensee by any governmental or private authority for the placement, operation or maintenance of Licensee's Facilities.

18.2 In the event of a Material Default, GTE, without any further notice to the Licensee (except where expressly provided for below or required by applicable law) may do any one or more of the following:

- 18.2.1 Perform, on behalf and at the expense of Licensee, any obligation of Licensee under this Agreement which Licensee has failed to perform and of which GTE shall have given Licensee notice, the cost of which performance shall be paid by Licensee to GTE upon demand;
- 18.2.2 Terminate this Agreement by giving notice of such termination to Licensee and upon sixty (60) calendar days written notice remove Licensee's Facilities and store them in a public warehouse or elsewhere at the expense of and for the account of Licensee without GTE being deemed guilty of trespass or conversion, and without GTE becoming liable for any loss or damages to Licensee occasioned thereby; or
- 18.2.3 Exercise any other legal or equitable right or remedy which GTE may have.

18.3 Any costs and expenses incurred by GTE (including, without limitation, reasonable attorneys' fees) in enforcing this Agreement shall be paid to GTE by Licensee upon demand.

- 18.4 Upon termination of this Agreement by GTE because of Material Default by Licensee, Licensee shall remain liable to GTE for any and all fees, other payments and damages which may be due or sustained prior to such termination, all reasonable costs, fees and expenses, including, without limitation, reasonable attorneys' fees incurred by GTE in pursuit of its remedies hereunder. In addition to and notwithstanding Section 14 the parties agree that, because it would be impracticable and extremely difficult to determine the amount of actual damages resulting from Licensee's unauthorized Occupancy, additional liquidated damages for termination because of Material Default shall be an amount equal to one full year of Occupancy Fees.
- 18.5 All rights and remedies of GTE set forth in this Agreement shall be cumulative and none shall exclude any other right or remedy, now or hereafter allowed by or available under any statute, ordinance, rule of court, or the common law, either at law or in equity, or both.
19. Indemnification.
- 19.1 Licensee shall compensate GTE for the full actual loss, damage or destruction of GTE's property that in any way arises from or is related to this Agreement or activities undertaken pursuant to this Agreement (including, without limitation, the installation, construction, operation or maintenance of Licensee's Facilities).
- 19.2 Licensee will further indemnify, defend and hold harmless GTE and GTE's agents, officers, employees and assigns, from any and all losses, damages, costs, expenses (including, without limitation, reasonable attorneys' fees), statutory fines or penalties, actions or claims for personal injury (including death), damage to property, or other damage or financial loss of whatever nature in any way arising out of or connected with this Agreement or activities undertaken pursuant to this Agreement (including, without limitation, the installation, construction, operation or maintenance of Licensee's Facilities). Licensee further indemnifies GTE from subsequent taxes and fees that may be levied by municipalities or other governmental entities for an Indemnifying party's use of public rights-of-way in association with these agreements. Such fees that are levied would be in addition to the attachment/occupancy fees reflected in this Agreement. Licensee expressly assumes all liability for actions brought against GTE and GTE's agents, officers, employees and assigns, by Licensee's agents, officers or employees and Licensee expressly waives any immunity from the enforcement of this indemnification provision that might otherwise be provided by workers' compensation law or by other state or federal laws.
- 19.3 Without limiting any of the foregoing, Licensee assumes all risk of, and agrees to relieve GTE of any and all liability for, loss or damage (and the consequences of loss or damage) to any of Licensee's Facilities placed in any GTE conduit(s) and any other financial loss sustained by Licensee, whether caused by fire, extended coverage perils, or other casualty.
- 19.4 Without limiting the foregoing, Licensee expressly agrees to indemnify, defend and hold harmless GTE and GTE's agents, officers, employees and assigns from any and all claims asserted by customers of Licensee in any way arising out of or in connection with this Agreement or Licensee's Occupancy.
- 19.5 Notwithstanding anything to the contrary in this Agreement, Licensee further shall indemnify and hold harmless GTE, its agents, officers, employees and assigns from and against any claims, liabilities, losses, damages, fines, penalties and costs (including, without limitation, reasonable attorneys' fees) whether foreseen or unforeseen, which the indemnified parties suffer or incur because of: (i) any discharge of Hazardous Material resulting from acts or omissions of Licensee or the Licensee's predecessor in interest; (ii) acts or omissions of the Licensee, its agents, employees, contractors, representatives or predecessor in interest in connection with any cleanup required by law, or (iii) failure of Licensee or the Licensee's predecessor in interest to comply with environmental, safety and health laws.

- 19.6 In no event shall GTE be liable to Licensee for any special, consequential or indirect damages (including, without limitation, lost revenues and lost profits) arising out this Agreement or any obligation arising hereunder, whether in an action for or arising out of breach of contract, tort or otherwise.
- 19.7 Licensee shall indemnify, protect and hold harmless GTE from and against any and all claims for libel and slander, copyright and/or patent infringement arising directly or indirectly by reason of installation of Licensee's equipment in GTE's Ducts pursuant to this Agreement.

20. Insurance.

- 20.1 Licensee shall carry insurance, at its sole cost and expense, sufficient to cover its indemnification obligations as set forth in Section 19 of this Agreement. Such insurance shall include, but not be limited to, coverage against liability due to personal injury or death of persons in the amount of \$500,000 as to any one person and \$1,000,000 as to any one accident; coverage against liability due to property damage in the amount of \$500,000 as to each accident and \$500,000 aggregate; and coverage necessary to fully protect both it and GTE from all claims under any worker's compensation laws that may be applicable.
- 20.2 All insurance required of Licensee under this Agreement shall remain in force for the entire life of this Agreement. The company or companies issuing such insurance shall be approved by GTE and GTE shall be named as an additional insured in each such policy. Licensee shall submit to GTE certificates by each insurer to the effect that the insurer has insured Licensee for all potential liabilities of Licensee under this Agreement, and that it will not cancel or change any policy of insurance issued to Licensee except upon thirty (30) calendar days notice to GTE. In the event Licensee's insurance coverage is to be canceled by reason of non-payment of premiums due, GTE shall have the option of paying any amount due and Licensee shall forthwith reimburse GTE the full amount paid by GTE.
- 20.3 Licensee shall promptly advise GTE in writing of any and all claims for damages, including, but not limited to, damage to property or injury to or death of persons, allegedly arising out of or in any manner related, directly or indirectly, to the presence or use of Licensee's Facilities in GTE's Conduit, Ducts or Innerducts.
- 20.4 Licensee shall furnish bond or satisfactory evidence of contractual insurance coverage, the terms of which shall be subject to GTE's approval, in the amount of ten thousand dollars (\$10,000) to guarantee the payment of any sums which may become due to GTE for rentals, inspections or for work performed by GTE for the benefit of Licensee under this Agreement, including the removal of Licensee's equipment pursuant to any of the provisions hereof. All bonds must specify that the GTE be notified thirty (30) calendar days prior to the expiration or cancellation of the policy.

21. Taxes, Surcharges and Fees.

Any state or local excise, sales, or use taxes or other surcharges or fees (excluding any taxes levied on income) resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under applicable law, even if the obligation to collect and remit such taxes, surcharges or fees is placed upon the other Party. The collecting Party shall charge and collect from the obligated Party, and the obligated Party agrees to pay to the collecting Party, all applicable taxes, surcharges or fees, except to the extent that the obligated Party notifies the collecting Party and provides to the collecting Party appropriate documentation as GTE requires that qualifies the obligated Party for a full or partial exemption. Any such taxes, surcharges or fees shall be shown as separate items on applicable billing documents between the Parties. The obligated Party may contest the same in good faith, at its own expense, and shall be entitled to the benefit of any refund or recovery, provided that such Party shall not permit any lien to

exist on any asset of the other Party [by reason of the contest. The collecting Party shall cooperate in any such contest by the other Party. The other Party will indemnify the collecting Party from any such taxes, surcharges or fees that may be subsequently levied on payments by the other Party by the collecting Party.

22. Emergency Restoration Procedures.

In the event of an emergency, restoration procedures may be affected by the presence of Licensee's Facilities in GTE's conduit(s). While GTE shall not be responsible for the repair of Licensee's Facilities that are damaged (except by mutual written agreement), GTE shall nonetheless control access to its Conduits if the restoration is to be achieved in an orderly fashion. Licensee agrees to reimburse GTE for the cost of all labor, equipment, and/or materials furnished by GTE in support of any restoral operations from which Licensee is a beneficiary.

22.1 Where multiple parties are involved in emergency restorations, access to GTE's conduit(s) will be controlled by GTE's Maintenance District Manager or his/her on-site representative according to the following guidelines:

22.1.1 Service Disruptions/Outages

- a. In the event of service disruptions and/or outages, GTE shall make all reasonable efforts to grant access to as many other entities with facilities in GTE's conduit(s) as is reasonably safe.
- b. Where simultaneous access is not possible, access will be granted by GTE on a first come, first served basis.

22.1.2 Service Affecting Emergencies

- a. In the event of service affecting emergencies not resulting in service disruptions or outages, while exercising its right to first access, GTE shall make all reasonable efforts to grant access to as many other entities with facilities in GTE's conduit(s) as is reasonably safe.
- b. Where GTE is unable to grant simultaneous access to all other entities with facilities in GTE's conduit(s), access will be granted according to the level of damage to the facilities of each entity and the likelihood that a given level of damage will result in service disruption. Where the likelihood that a service disruption will result is not clearly discernible, access will be on a first come, first served basis.

22.2 Without limiting any other indemnification or hold harmless provisions of this Agreement, Licensee agrees that any decision by GTE regarding access to Licensee's Facilities, or any action or failure to act by GTE under this Section 22 shall not constitute a basis for any claim by Licensee against GTE for any damage to Licensee's Facilities or disruption of Licensee's services, or any other direct or indirect damages of any kind whatsoever incurred by Licensee.

23. Damage Suspected to Licensee's Facilities Only.

23.1 In the event Licensee receives information that Licensee's Facilities are damaged, Licensee shall notify GTE of said damage at a number to be provided later by GTE. This is a 24-hour, 7 days per week notification number. Licensee shall provide GTE all information known to it regarding the damage to Licensee's Facilities.

23.2 In the event GTE receives notice that Licensee's Facilities are damaged, GTE will notify Licensee of said damage by telephone at the Licensee's emergency telephone number.

GTE shall provide Licensee all information known to it regarding the damage to Licensee's Facilities.

- 23.3 After the giving of such notice by either Licensee or GTE, Licensee shall be authorized to perform emergency restoration maintenance activities in connection with Licensee's Facilities, subject to the provisions of this Agreement.
- 23.4 Without limiting any other indemnification or hold harmless provisions of this Agreement, Licensee agrees that any decision by GTE regarding access to Licensee's facilities, or any action or failure to act by GTE, appropriately or inappropriately, under this Section shall not be the basis for any claim by Licensee against GTE for any damage to Licensee's Facilities or disruption of Licensee's services, or any other direct or indirect damages of any kind whatsoever incurred by Licensee and Licensee shall indemnify and hold GTE harmless from any such claim.

24. Access to GTE's Manholes/Handholes.

- 24.1 GTE will allow Licensee to audit manholes/handholes that are included in any COR submitted to GTE to confirm usability. Licensee shall give GTE at least thirty (30) calendar days advance written notice of its desire to audit and shall obtain all authorizations from appropriate authorities required to open the Manholes/Handholes. GTE shall have the right to have a GTE employee or agent present when its Manholes/Handholes are being opened. Such GTE employee or agent shall have the authority to suspend Licensee's activities in and around GTE's Manholes/Handholes if, in the sole discretion of said employee or agent, any hazardous conditions arise or any unsafe practices are being followed by Licensee's employees, agents, or contractors. Licensee agrees to reimburse GTE the cost of having GTE's employee or agent present. Such charge shall be GTE's fully loaded labor rates then in effect.
- 24.2 For purposes other than to audit usability, GTE's Manholes/Handholes shall be opened only as permitted by GTE and only after Licensee has obtained all necessary authorizations from appropriate authorities to open Manholes/Handholes and conduct work operations therein. GTE shall have the right to have a GTE employee or agent present at any site at which its Manholes/Handholes are being opened. Such GTE employee or agent shall have the authority to suspend Licensee's work operations in and around GTE's Manholes/Handholes if, in the sole discretion of said employee or agent, any hazardous conditions arise or any unsafe practices are being followed by Licensee's employees, agents, or contractors. Licensee agrees to reimburse GTE the cost of having GTE's employee or agent present. Such charge shall be GTE's fully loaded labor rates then in effect. The presence of GTE's authorized employee or agent shall not relieve Licensee of its responsibility to conduct all of its work operations in and around GTE's conduit(s) in a safe and workmanlike manner, in accordance with the terms of this Agreement nor result in any assumption of risk or waiver or remedies by GTE.

25. Abandonment.

Nothing in this Agreement shall prevent or be construed to prevent GTE from abandoning, selling, assigning or otherwise disposing of any GTE conduit(s) or other GTE property used in connection with Licensee's Facilities; provided, however, that GTE shall condition any such sale, assignment or other disposition subject to the rights granted to Licensee pursuant to this Agreement. GTE shall promptly notify Licensee of any proposed sale, assignment or other disposition of any GTE conduit(s) or other GTE property used in connection with Licensee's Facilities.

26. Notices.

Any written notice to be given to a party to this Agreement shall be in writing and given or made by means of telegram, facsimile transmission, certified or registered mail, express mail or other

overnight delivery service, or hand delivery, proper postage or other charges prepaid, and addressed or directed to the respective parties as follows:

If to GTE:

GTE North Incorporated
GTE South Incorporated
Attention: Assistant Vice President/Associate
General Counsel
Business Development & Integration
600 Hidden Ridge - HQE03J43
Irving, TX 75038
Telephone number: 972/718-6361
Facsimile number: 972/718-3403

and

GTE North Incorporated
GTE South Incorporated
Attn: Director-Wholesale Contract Compliance
Network Services
600 Hidden Ridge - HQE03D52
Irving, TX 75038
Telephone Number: 972/718-5988
Facsimile Number: 972/719-1519

If to Licensee:

US Xchange of Illinois, L.L.C.
Attention: David J. Easter, V.P., Development
20 Monroe N.W.
Suite 450
Grand Rapids, Michigan 49503
Facsimile number: (616) 493-7007

Any notice given by personal delivery shall be deemed to have been given on the day of actual delivery and, if given by registered or certified mail, return receipt requested, on the date of receipt thereof and, if given by facsimile transmission, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next Business Day if not given during normal business hours.

27. Non-Waiver of Terms and Conditions.

No course of dealing, course of performance or failure to enforce any of term, right, condition or other provision of this Agreement shall constitute or be construed as a waiver of any term, right or condition or other provision of this Agreement.

28. Confidential Information.

28.1 Identification. Either party may disclose to the other proprietary or confidential customer, technical, or business information in written, graphic, oral or other tangible or intangible forms ("Confidential Information"). In order for information to be considered Confidential Information under this Agreement, it must be marked "Confidential" or "Proprietary," or bear a marking of similar import. Orally or visually disclosed information shall be deemed Confidential Information only if contemporaneously identified as such and reduced to writing and delivered to the other party with a statement or marking of confidentiality within thirty (30) calendar days after oral or visual disclosure.

28.2 Handling. In order to protect such Confidential Information from improper disclosure, each party agrees:

- 28.2.1 That all Confidential Information shall be and shall remain the exclusive property of the source;
 - 28.2.2 To limit access to such Confidential Information to authorized employees who have a need to know the Confidential Information for performance of this Agreement;
 - 28.2.3 To keep such Confidential Information confidential and to use the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as it exercises in protecting its own Confidential Information of a similar nature;
 - 28.2.4 Not to copy, publish, or disclose such Confidential Information to others or authorize anyone else to copy, publish, or disclose such Confidential Information to others without the prior written approval of the source;
 - 28.2.5 To return promptly any copies of such Confidential Information to the source at its request; and
 - 28.2.6 To use such Confidential Information only for purposes of fulfilling work or services performed hereunder and for other purposes only upon such terms as may be agreed upon between the parties in writing.
- 28.3 Exceptions. These obligations shall not apply to any Confidential Information that was legally in the recipient's possession prior to receipt from the source, was received in good faith from a third party not subject to a confidential obligation to the source, now is or later becomes publicly known through no breach of confidential obligation by the recipient, was developed by the recipient without the developing persons having access to any of the Confidential Information received in confidence from the source, or that is required to be disclosed pursuant to subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided, however, that the recipient shall give prior notice to the source and shall reasonably cooperate if the source deems it necessary to seek protective arrangements.
- 28.4 Survival. The obligation of confidentiality and use with respect to Confidential Information disclosed by one party to the other shall survive any termination of this Agreement for a period of three (3) years from the date of the initial disclosure of the Confidential Information.
29. Dispute Resolution.
- 29.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, except for action seeking a temporary restraining order or an injunction related to the purposes of this Agreement, or suit to compel compliance with this dispute resolution process, the Parties agree to use the following alternative dispute resolution procedures as the sole remedy with respect to any controversy or claim arising out of or relating to this Agreement or its breach.
- 29.2 Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute

resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable, be discovered or otherwise admissible, be admitted in evidence, in the arbitration or lawsuit.

- 29.3 Arbitration. If the negotiations do not resolve the dispute within sixty (60) Business Days of the initial written request, the dispute shall be submitted to binding arbitration by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association except that the Parties may select an arbitrator outside American Arbitration Association rules upon mutual agreement. A Party may demand such arbitration in accordance with the procedures set out in those rules. Discovery shall be controlled by the arbitrator and shall be permitted to the extent set out in this section. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of thirty-five (35) (none of which may have subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of another Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) Business Days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city. The arbitrator shall control the scheduling so as to process the matter expeditiously. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) Business Days after the close of hearings. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.
- 29.4 Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 29.2 directly and materially affects service to either Party's end user customers, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to binding arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration, the arbitration shall be conducted pursuant to the expedited procedures rules of the Commercial Arbitration Rules of the American Arbitration Association (i.e., rules 53 through 57).
- 29.5 Costs. Each Party shall bear its own costs of these procedures. A Party seeking discovery shall reimburse the responding Party the costs of production of documents (including search time and reproduction costs). The Parties shall equally split the fees of the arbitration and the arbitrator.
- 29.6 Continuous Service. The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations in accordance with this Agreement.

30. Compliance With Laws and Regulations.

Each Party shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.

31. Force Majeure.

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or likes acts of God, wars, revolution, civil commotion, explosion, acts of public enemy, embargo, acts of the

government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Customer, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); *provided however*, that the Party so affected shall use diligent efforts to avoid or remove such causes of nonperformance and both Parties shall proceed whenever such causes are removed or cease

32. Assignment.

Any assignment by either Party of any right, obligation, or duty, in whole or in part, or of any interest, without the written consent of the other Party shall be void, except that either Party may assign all of its rights, and delegate its obligations, liabilities and duties under this Agreement, either in whole or in part, to any entity that is, or that was immediately preceding such assignment, a Subsidiary or Affiliate of that Party without consent, but with written notification. The effectiveness of an assignment shall be conditioned upon the assignee's written assumption of the rights, obligations, and duties of the assigning Party.

33. Applicable Law.

This Agreement shall be governed by and construed in accordance with the domestic laws of the state where the Services are provided or the facilities reside and shall be subject to the exclusive jurisdiction of the courts therein.

34. Subsequent Law.

The terms and conditions of this Agreement shall be subject to any and all applicable laws, rules, or regulations that subsequently may be prescribed by any federal, state or local governmental authority. To the extent required by any such subsequently prescribed law, rule, or regulation, the Parties agree to modify, in writing, the affected term(s) and condition(s) of this Agreement to bring them into compliance with such law, rule, or regulation.

35. Headings.

All headings contained in this Agreement are for convenience only and are not intended to affect the meaning or interpretation of any part of this Agreement.

36. Entire Agreement.

This Agreement constitutes the entire agreement of the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, negotiations, proposals, and representations, whether written or oral, and all contemporaneous oral agreements, negotiations, proposals, and representations concerning such subject matter. No representations, understandings, agreements, or warranties, expressed or implied, have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

IN WITNESS WHEREOF, each Party has executed this Agreement to be effective as of the date first above written.

GTE SOUTH INCORPORATED
GTE NORTH INCORPORATED

US XCHANGE OF ILLINOIS, L.L.C.

By_____

By_____

Name_____

Name_____

Title_____

Title_____

Date_____

Date_____

EXHIBIT 1
CONDUIT OCCUPANCY REQUEST
(FOR FUTURE USE)

EXHIBIT 2
SPECIFICATION DOCUMENTS
(FOR FUTURE USE)

EXHIBIT 3

OCCUPANCY FEES

USX Conduit Occupancy Rate:

\$ 0.80 per linear foot per year for sub-duct

\$ 1.60 per linear foot per year for full-duct

APPENDIX 41A
AT&T TERMS

Pursuant to Section 41 of Article III of this Agreement, and subject to all of the terms and conditions thereof, the following terms as written in the AT&T Agreement referred to in Section 41 will be substituted for the GTE Terms which are set out in Appendix 41B.

ANNEX 1 TO APPENDIX 41A

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STATE OF ILLINOIS

<u>Unbundled Network Elements</u>	<u>Access Areas</u>	<u>Rate / Rate Increment</u> <u>Per Line / Month</u>	
		<u>GTE</u>	<u>ALLTEL</u>
Unbundled Loop-2 wire	All	<u>\$24.04</u>	<u>\$25.60</u>
Unbundled Loop-4 wire	All	<u>\$36.78</u>	<u>\$40.42</u>
Network Interface Device - Basic	All	<u>\$1.22</u>	<u>\$1.22</u>
Network Interface Device - 12x	All	<u>\$1.48</u>	<u>\$1.48</u>
Local Switching - Port	All	<u>\$3.78</u>	<u>\$4.08</u>
Local Switching - Port, DS1	All	<u>\$78.60</u>	<u>\$85.51</u>
Local Switching Usage (Per Min.)			
Originating		<u>\$.0044495</u>	<u>\$.0071195</u>
Terminating		<u>\$.0038534</u>	<u>\$.0060985</u>
Operator Systems	All	<u>N/A</u>	<u>N/A</u>
Common transport - Termination	All	<u>\$.0000715/MIN</u>	<u>\$.0000703/MIN</u>
Common Transport - Facility Per Mile	All	<u>\$.0000024/MIN</u>	<u>\$.0000024/MIN</u>

ANNEX 1 TO APPENDIX 41A

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<u>Unbundled Network Elements</u>	<u>Access Areas</u>	<u>Rate / Rate Increment Per Line / Month</u>	
		<u>GTE</u>	<u>ALLTEL</u>
Dedicated Transport : Entrance Facility	All		
2-Wire Voice		<u>\$24.16</u>	<u>\$25.72</u>
4-Wire Voice		<u>\$36.93</u>	<u>\$40.57</u>
DS1 Standard 1st System		<u>\$142.64</u>	<u>\$142.64</u>
DS1 Standard Add'l System		<u>\$142.64</u>	<u>\$142.64</u>
DSJ Protected, Electrical		<u>\$631.29</u>	<u>\$631.29</u>
DS1 to Voice Multiplexing		<u>\$153.98</u>	<u>\$153.98</u>
DS3 to DS1 Multiplexing		<u>\$216.90</u>	<u>\$216.90</u>
Direct Trunked			
Voice Facility per ALM		<u>\$1.96</u>	<u>\$1.96</u>
DS1 Facility per ALM		<u>\$0.92</u>	<u>\$0.92</u>
DS1 per Termination		<u>\$27.61</u>	<u>\$27.61</u>
DS3 Facility per ALM		<u>\$23.49</u>	<u>\$23.49</u>
DS3 per Termination		<u>\$291.98</u>	<u>\$291.98</u>
All Other Dedicated Transport (Not Provided)		<u>TBD</u>	<u>TBD</u>
Tandem Switching	All	<u>\$.0010112</u>	<u>\$.0024461</u>
Signaling:			
56 KBPS Links		<u>\$69.78</u>	<u>\$73.41</u>
DS1 Link		<u>\$142.64</u>	<u>\$142.64</u>
Signal Transfer Point Port Term		<u>\$278.18</u>	<u>\$278.18</u>
Call Related Databases			
Line Information Database (Queries)		<u>\$.0350000</u>	<u>\$.0350000</u>
Line Information Transport (Queries)		<u>\$.0046000</u>	<u>N/A</u>
Toll Free Calling Databases (DB800Queries)		<u>\$.0099170</u>	<u>\$.0099170</u>

ANNEX 1 TO APPENDIX 41A

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<u>Unbundled Network Elements</u>	<u>Access Areas</u>	<u>Rate / Rate Increment Per Line / Month</u>
Unbundled Element Platform	A	TBD
	B	TBD
	C	TBD
Without Operator Systems	A	TBD
	B	TBD
	C	TBD
Loop / Network Combination	A	TBD
	B	TBD
	C	TBD
Switching Combinations #1	A	TBD
	B	TBD
	C	TBD

ANNEX 1 TO APPENDIX 41A

Page 4 of 4

<u>Service Ordering Charges</u>	<u>GTE</u>	<u>Rate / Rate Increment</u> <u>ALLTEL</u>
Initial Service Order Charge Per Order	<u>\$47.13</u>	<u>\$47.13</u>
Subsequent Service Order Change, per Order	<u>\$23.97</u>	<u>\$23.97</u>
Transfer of Service Charge Per Order	<u>\$15.83</u>	<u>\$15.83</u>
Customer Service Record Research Charge, per Request	<u>\$5.14</u>	<u>\$4.14</u>
<u>Installation Charges</u>		
Unbundled Loop, per Loop	<u>\$9.36</u>	<u>\$9.36</u>
Unbundled Port, per Port	<u>\$9.36</u>	<u>\$9.36</u>
<u>Loop Facility Charge, per Order</u> (When field work is required for the establishment of a new Unbundled loop service).	<u>\$56.34</u>	<u>\$56.34</u>
Establish New Service (per occurrence)	<u>n/a</u>	
Provision Change (per occurrence)	<u>n/a</u>	
Record Change (per occurrence)	<u>n/a</u>	
Line Connection Charge (per occurrence)	<u>n/a</u>	

STATE OF ILLINOIS

1. Scope.

This Appendix prescribes the methods and means for reciprocal compensation of interconnect traffic between GTE's and AT&T's networks as well as transiting traffic between AT&T and third party LECs or ILECs.

2. **DOES NOT APPLY**

3. **DOES NOT APPLY**

4. Information Services Traffic.

The information Services Billing and Collection Charge is **TBD**

5. BLV/BLVI Traffic.

Each party shall charge the other for BLV/BLVI Services on a "bill and keep" basis.

ANNEX 3 TO APPENDIX 41A

Prices for Local Number Portability

State of Illinois

Until such time as the Commission establishes a cost recovery mechanism for INP, there will be no charge for number portability provided by one Party for the other. However, each Party will track the costs incurred in providing number portability for the other and , once a competitively neutral cost recovery mechanism has been established by the Commission, the Parties will reconcile the charges incurred by each Party based upon documented costs.

ANNEX 4 TO APPENDIX 41A

State of Illinois

1. Local Service Resale

- 1.1 The prices charged to AT&T for Local Service shall be calculated using the avoided cost discount applicable in the State (the "Base Line Discount"), determined on the basis of the retail rate charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection and other costs that will be avoided by GTE, as further specified in Annex 4 to 41A.

The prices shall be based on retail rates applicable on the Effective Date, less the applicable discount. If GTE reduces or increases its retail rates after AT&T executes this Agreement, the applicable discount shall be applied to the reduced or increased retail rates./

ANNEX 4 TO APPENDIX 41A

State of Illinois

Beginning with the Effective Date of this Agreement, Resale Services will be priced in accordance with the standards and prices described below.

1. The wholesale rates for Local Service Resale set forth in Annex 1 represent the Retail Rates for each GTE offering less the applicable discount.
 - 1.1 "Retail Rates" are the effective rates an GTE retail customer would have paid GTE under the Retail Offering selected by AT&T, taking into consideration all applicable discounts, including but not limited to, volume, term and time of day.
 - 1.2 A "Retail Offering" is an individual **contract or tariffed** retail rate element, or package of retail rate elements, which GTE offers to its retail customers including, but not limited, to Grandfathered Services and Sunsetted Services.
2. The discounts described in this Appendix are interim rates pending revision by the Commission. Once revised by the Commission, the discounts will not be subject to change for the first three years of this Agreement ("Initial Commitment Period") and will apply to all Resale Services ordered by AT&T under this Agreement. Upon expiration of the Initial Commitment Period, upon written notice by a Party, the Parties agree to renegotiate the discounts and / or Commission. A Party may deliver only one request per year. If the Parties are unable to agree upon revised discounts and/or pricing methodology within sixty (60) days of the request to renegotiate, a Party may invoke the Dispute Resolution Process. Until such time as the revised discounts and/or pricing methodology are agreed to, or established by the decision of the Arbitrator in the dispute resolution procedure, the discounts and/or pricing methodology described in this Appendix will continue to remain in effect.
3. Nonrecurring "change" or "record" charges, rather than service establishment charges, shall apply for the conversion of existing Customers of GTE services, received either directly from GTE or through another reseller, to AT&T local service.

APPENDIX 41B
GTE TERMS

Pursuant to Section 41 of Article III of this Agreement, and subject to all of the terms and conditions of that Section 41, each of the following rates may be replaced or supplemented by the correlative rate set forth in the AT&T Terms listed in Appendix 41A, as provided in Section 41 and only until, as long as, and under the conditions prescribed by Section 41.

1. Substitute each rate and charge in Appendix C with the rate or charge that may be indicated for the same items in Appendix 41A, Annex 2.
2. Substitute each rate and charge in Appendix D with the rate or charge that may be indicated for the same items in Appendix 41A, Annex 3.
3. Substitute each price in Appendix E , and Terms and Conditions outlined in Article V, Sections 2.1, 2.3, and 2.4, and Article V, Section 5 with the corresponding prices, Terms and Conditions, that may be indicated for the same items in Appendix 41A, Annex 1.
4. Substitute each price in Appendix F with the price that may be indicated for the same items ins Appendix 41A, Annex 1.